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STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

MUNICIPAL LICENSING ACT

WEDNESDAY, JULY 21, 1982

Afternoon sitting

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
VICE-CHAIRMAN: MacQuarrie, R. W. (Carleton East PC)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Eves, E. L. (Parry Sound PC)
McLean, A. K. (Simcoe East PC)
Mitchell, R. C. (Carleton PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)

Substitutions:

Hennessey, M. (Fort William PC) for Mr. Mitchell
MacDonald, D. C. (York South NDP) for Mr. Swart

Also taking part:

Gillies, P. A. (Brantford PC)
Rotenberg, D., Parliamentary Assistant to the Minister of
Municipal Affairs and Housing (Wilson Heights PC)

Clerk: Arnott, D.

Witnesses:

Cohen, C. B., Legal Counsel for Stewart Iron and Metal Co. and A.
Merkur and Sons Ltd.; with Atlin, Goldenberg, Cass, Cohen,
Lissaman and Armel
Cowan, R., President, Mississauga Taxi Drivers Association
Mandlowitz, J. E., Provincial Affairs Officer, Canadian Federation
of Independent Business
Smith, G. C., President, United Parcel Service Canada Ltd.

From the Canadian Mobile Sign Association:

Kelland, P., Vice-President
Ross, C. F. M., Member; Solicitor, Ross, Bennett and Lake
Theriault, P., President



LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Wednesday, July 21, 1982

The committee resumed at 2:04 p.m. in room 151.

MUNICIPAL LICENSING ACT
(continued)

Resuming consideration of Bill 11, An Act to provide for the Licensing of Businesses by Municipalities.

Mr. Chairman: Gentlemen, I will call the committee to order. Let's start. Mr. Cowan, president of the Mississauga Taxi Drivers Association, is going to speak to us. Is there someone else here from the Mississauga Taxi Drivers Association?

Interjection.

Mr. Chairman: Are you gentlemen not from the city? Are you not going to make a presentation to us tomorrow? Yes. Perhaps we could leave that till then. The clerk will be in touch with you as to the scheduling.

I understand Mr. Cowan has a written presentation, exhibit 24, which will be in front of us soon. It is being photocopied now and will be delivered. Mr. Cowan, would you go ahead? You were here this morning. You might built upon or relate to what we heard this morning.

Mr. Cowan: What we seem to be losing sight of here is that we are only hearing one application for an amendment. The corporation of the city of Mississauga, acting for the Mississauga taxi drivers, applied to the provincial government for a further amendment to the same section we are dealing with. The amendment we ask for is completely opposite to that made by Toronto. Toronto, in other words, is asking for closure. We, in turn, are asking to have the borders opened. We believe that a taxicab of any municipality should have the right to pick up a fare anywhere in Ontario provided that fare is terminating in his licensed municipality. I use Mr. Breagh as an example of an Oshawa cab dropping a fare in Toronto. If there is an Oshawa citizen in Toronto and a request for the services of a cab, as long as he is returning to Oshawa, we believe that is the way the act should read.

When you get my written brief you will see a list of the cities that agree with us. I have copies of the original letters here. As a matter of fact, I have the original letters from the different cities across Ontario. This is a provincial matter, not a Toronto-Mississauga matter. They are the cities that agree with us on our concept of having an open border and free trade in the taxi industry. We believe the restrictions must be loosened. As for Toronto's request to have this exemption removed, we are all for it. Remove it. Take the exemption off the airport cars but

give us free trade. As long as the fare originates or terminates in the licensed municipality, that is the way we believe it should operate.

It has been brought up about energy conservation. We feel the same way. A taxicab dropping in Scarborough, returning empty, going alongside the 401 with a Diamond taxi taking a Mississauga customer back to his home seems ridiculous to us. That is our case.

Mr. Chairman: To summarize, this morning we heard Toronto wants pickup only and you want pickup and return.

Mr. Cowan: Right.

Mr. Breaugh: I will ask you the same question I have asked everybody else. Since it appears that you do not agree with this approach either, why is this exemption still included in Bill 11? I took it that it was there at the request of either your association or the corporation of Mississauga. You are saying that is not the case.

Mr. Cowan: No, it is not the case, sir. Back when the Toronto International Airport permits were first issued, there was a very strong lobby. In the original concept, at which Toronto did attend, by the way--the president of the association at that time was Floyd Andrews, and he did attend when this amendment was put through--pickup rights for airport cars were not mentioned. The subject was brought in at the last minute and it was a very strong lobby, mostly businessmen, who wanted this kind of service that was not provided by the ordinary taxi companies.

Most of the airport cars that are picking up in Toronto belong to four major companies, plus the airline limousines. They have a superior type of vehicle, air conditioning, usually uniformed drivers, and are prearranged. They can take reservations, which the ordinary cab companies don't do. There was a market for this, and it was being supplied by the airport companies. They, in turn, went to their customers and found a lobby, and basically this is what happened.

Mr. Breaugh: As I understand it, the thrust of your argument is that you're not happy with this exemption either. In fact, you want it taken even further. You want a different criterion for establishing the licence.

Mr. Cowan: We were happy with the original--

Mr. Breaugh: You did give me a couple of variations on this. The first time you said you wanted it based on where it terminates, and the second time you said either way. As I understand it, basically what you are arguing is that you want a free flow of taxis anywhere. It seems to me that logically that would mean you would want some kind of province-wide licensing system.

Mr. Cowan: No, not a free flow. A Mississauga cab would only be able to pick up a fare anywhere in Ontario provided it is

returning to the municipality of Mississauga and the same with Toronto coming into Mississauga. As long as that fare is going into Toronto, we believe they should be entitled to that. It should be up to the public to choose its modes of transportation.

2:10 p.m.

Mr. Breaugh: I see your argument now. Would you address yourself to the problems of licensing and policing? If the committee accepted some different criteria for establishing licensing and it had to do with crossing a lot of municipal boundaries or at least some freer flow than what we now have, and you raised the problems of both licensing and policing, do you have any suggestions as to how that might be handled?

Mr. Cowan: I'll deal with the policing first. One of the things we have lost sight of is that prior to 1978, we did have this free flow. We have had it for 40 or 50 years. There was no great big problem with policing. If they caught a cab doing a city-to-city, he got fined. We are in agreement with that. We believe there should be far more substantial fines for illegal pick-ups. We are talking about \$500 to \$1,000.

The mayor has given Mr. Rotenberg a letter saying that we are quite willing to have a reciprocal agreement with Toronto or any other city. If a Mississauga driver is found picking up an illegal fare in Toronto and they convict him, then we will suspend his licence in Mississauga as well as impose the fine in Toronto. We are all for cleaning up the industry, but we feel this isolation, this closing of borders, is not only bad for trade, but is stupid as far as energy is concerned.

Mr. Breaugh: I heard you say, and I want to clarify it, that you would be quite happy if the exemption as it currently exists be taken out of there.

Mr. Cowan: Providing.

Mr. Breaugh: Yes. Let me hear the providing once again.

Mr. Cowan: Providing the amendment we ask for is put in the bill.

Mr. Breaugh: So you would give up the exemption quite happily if you had some rewriting of the definition of where you got the licence and all of that.

Mr. Cowan: That's correct.

Mr. Breaugh: Let me try it on the parliamentary assistant for size then. I wonder if I could hear the government's view about how happy you would be to revert to--I take it not specifically, but roughly--the previous principle, that is, they can get a licence and be relatively free to pick up and deliver with some qualifications about where it terminates or where the call originated. Is the government prepared to accept that?

Mr. Rotenberg: I think what the deputation from Mississauga is saying is not to remove the airport exemption, but to extend the exemption from airport cabs to all cabs that are returning to the municipality. In other words, they want to broaden the exemption, not replace it, if we look at it in its proper context. I mentioned this morning that Mississauga had a different request from what we've now heard. These are two diametrically opposed points of view. The ministry is not prepared at this time to give a decision on either of them.

Mr. Breaugh: I want to ask Mr. Cowan one more question. You did say initially that your position was put forward by the corporation in Mississauga, so it is not just the position of your association but your municipality supports that as well.

Mr. Cowan: There were two official requests, one from the city of Mississauga and one from the corporation of the town of Milton, both addressed to Mr. Bennett requesting the same amendments.

Mr. Breaugh: And both supporting your contention.

Mr. Cowan: Plus, you will have a list of the other cities too--Ottawa, Windsor, London, St. Thomas, Chatham. I've got all the letters there.

Mr. Breaugh: Somewhere in the mix, we will eventually get the paper which shows us those two letters from Milton and Mississauga and the list of other municipalities. Are those from municipalities or taxi companies?

Mr. Cowan: Some are from taxi companies, some from municipalities. Most of them are from taxi companies within the municipalities and from associations.

Mr. Breaugh: And we will have that stuff shortly?

Interjections.

Mr. MacQuarrie: Am I correct then in assuming that you want the point of delivery rather than the--

Mr. Chairman: Excuse me. Mr. Breaugh is asking a question which requires an answer. Are we going to get those? The chair hasn't got copies of any of those, so the chair can't give you any answer--

Mr. Breaugh: Mr. Cowan, could you provide the clerk with something--

Mr. Cowan: I provided the chairman with the brief that contains the list, and the clerk informed me he would have it run off.

Mr. Breaugh: Could I have those two letters from Milton and Mississauga?

Mr. Chairman: Perhaps those two letters might also be given to the clerk and circulated. We are apparently having photostating troubles. I have directed that a different photocopier be used to try to get the brief in front of us as soon as possible.

Interjections.

Mr. Rotenberg: On a point of clarification, the impression from the city of Mississauga was that it be point of destination or point of pickup but only by pre-arrangement. Is that right?

Mr. Cowan: That's right. I didn't put that in. I'm sorry.

Mr. Rotenberg: On a pre-arranged basis.

Mr. Breaugh: One final question: Can you explain to me why somebody would call? If I am in downtown Toronto, why would I call a cab company in Mississauga?

Mr. Cowan: Perhaps you have a charge account with us.

Mr. Breaugh: Oh, I see what you mean.

Mr. Cowan: I do not think it has been pointed out, but there are other exemptions in this besides the airport. We handle handicapped children. We take them out to Don Mills and Lawrence and return with them, and this is also covered under the exemptions.

Mr. Breaugh: Yes. I do not think anybody has any real objection to that part of it and that is noted in the bill.

Mr. Cowan: Right.

Mr. Epp: Maybe you can tell us, Mr. Cowan, has any consideration ever been given to extending the operation for Metropolitan Toronto to include Mississauga? For instance, it appears that most of the problems that we have had with respect to taxicabs are not in Timiskaming or Kapuskasing; they are in and around Toronto and Mississauga and this area, primarily between--

Mr. Cowan: High density.

Mr. Epp: --Mississauga and Toronto because of the airport. Has any serious consideration been given to include Mississauga for the purposes of taxi licensing in Metropolitan Toronto? That would then resolve the problem, certainly most of the major problems.

Mr. Cowan: It has been discussed, and in my brief you will find a copy of a draft for a proposal for open borders which was prepared by Mr. Bruce Bell, who was previously up here. He has put forth some ideas and some thought into it. There is a copy of that in my brief.

Mr. Epp: So there has been serious consideration given to that.

Mr. Cowan: Yes, there has.

Mr. Epp: Are both parties more or less amenable to that?

Mr. Cowan: Not really.

Mr. Epp: Neither is.

Mr. Cowan: There are too many little things that crop up. Mississauga fears a takeover by the big companies in Toronto. This is it. Basically, we fear a takeover if we follow that open border plan.

Mr. Epp: If you fear a takeover, are there not very efficient, well-run, viable companies in Etobicoke or North York, or any of these--

Mr. Cowan: Of course.

Mr. Epp: Why would Mississauga fear a takeover if somebody living in Etobicoke does not fear that takeover?

Mr. Cowan: Etobicoke is part of Metro Toronto.

Mr. Epp: I know, but if they can be run efficiently as part of Metropolitan Toronto out of Etobicoke or North York or Scarborough or East York, they why couldn't someone run efficiently out of Mississauga?

Mr. Cowan: We are going to get into this. Many of the companies in Toronto are held by a holding company; they are owned. I just cannot remember all the companies the Metro group owns and operates under, say, Arrow Taxi, or whatever. They are still owned by the Metro group but we are independents. We do not have the huge fleets in Mississauga. Our bylaws, for instance, prohibit any person from holding more than 12 permits. There are people in Toronto who hold hundreds. We are independent, one-owner cars, one driver.

Mr. Epp: I am not recommending--

Mr. Cowan: No, I know that.

Mr. Epp: I am just trying to find out if you were to have, as Metropolitan Toronto does, a permit for hundreds of cars and if you were to have a joint area, then obviously that same permission would extend to companies in Mississauga. You could not have a company in Mississauga under the same licensed area to be permitted only 12 cars and somebody in Metropolitan Toronto to have 200 cars, so to speak. So if the same rules were to apply to both places, you would not have any objection then.

Mr. Cowan: Yes. I can only speak for myself personally on this. I do not think I would have objections, but I know damned well our companies would. There are small, independent companies out there.

Mr. Breaugh: It strikes me, quite frankly, that what you are asking for would not do your businesses very much good.

Mr. Cowan: No, but it would make it fair for everybody. It would put an end to all this nonsense. We go through this every two years, these so-called taxi wars, threats in the newspaper. We are tired of it. We have been giving concessions to Toronto. We had a meeting with Mr. Rotenberg. I went and visited every Mississauga brokerage and got their word that if we got this through we would cease all hotel pickups regardless of whether it was prearranged; we would go along with that. We would stay right away from their hotels. Even if it was a customer of ours who had a charge account, we would not service the hotels. This is one of their biggest beefs, the hotels. We are trying, that is all, and they are trying.

Mr. MacDonald: I wanted to get a clearer idea of what you meant by prearranged. Maybe you will give me a bit of a clue.

Mr. Cowan: Prearranged is advanced booking by telephone.

Mr. MacDonald: Advanced booking by telephone.

Mr. Cowan: Right. In other words, our cars do not cruise the streets.

2:20 p.m.

Mr. MacDonald: Would that include picking up out of the hotel, where people come down because they know there--

Mr. Cowan: No. We said we would give that up.

Mr. MacDonald: So you are extending the principle of the pickup point to the drop-off point.

Mr. Cowan: Yes.

Mr. MacDonald: You can pick up or drop off in the jurisdiction where you are licensed.

Mr. Cowan: That's right.

Mr. Breithaupt: Just to follow through on that one point, it would mean that if you delivered someone, say, here and there was a pre-arranged call from 400 University Avenue, you could then go there to take that person back to Mississauga where your licence originated.

Mr. Cowan: Right.

Mr. MacDonald: And the call would have to go back, say, to your dispatcher; he would let you know, and you pick it up.

Mr. Cowan: That's right, and Toronto would have the same privileges.

Mr. MacQuarrie: How many cabs are licensed in Mississauga?

Mr. Cowan: There are 335. One point that was not made is that there are 8,000 taxis in Ontario, but 2,500 of them are in Toronto. So we are not a small minority speaking. If you would like to read the letters, they are all in full support. Mr. Rotenberg has copies of them all. We are not a small minority.

Mr. Rotenberg: We do not have copies of them all; we have a few.

Mr. Cowan: I produced them all.

Mr. Rotenberg: Most of those are from taxi companies, not from municipalities.

Mr. Cowan: Oh, yes. The majority are from taxi companies. In many towns it is every taxi company.

Mr. Chairman: I was just seeing if the materials that have just come were the submission at hand, and they are not. They are aggregates.

If there are no other questions, thank you very much, Mr. Cowan, for adding this different perspective, at least today, until we can hear more fully from the city tomorrow.

May we go ahead with the first witness of this afternoon, and might I apologize to the Canadian Federation of Independent Business? Our schedule has been a little topsy-turvy, and we do apologize for holding you up this length of time.

Mr. Mandlowitz is the provincial affairs officer from the Canadian Federation of Independent Business. Do you have other people with you or are you here yourself? You can sit down so you are near a microphone.

In view of the hour, if we could aim at a half hour per presentation it would be helpful. That includes questions, members, as well.

Mr. Breaugh: Might I suggest that we use a rotation system for questions? Then at least if you want to limit the questions to 10 minutes, one person from each caucus will get a shot at it.

Mr. Chairman: That is foreign to the past dealings of the justice committee. Does the committee wish to go to the rotation system?

Mr. Breithaupt: Why don't we just see how it goes? The groups before us this afternoon, it would appear, have more particular concerns than general ones, and I would imagine it will go along quite well. Let's leave it in the hands of the chairman to sort out.

Interjection: Playing Russian roulette again.

Mr. Epp: He even has (inaudible) from one photocopier to another.

Mr. Chairman: That is called commandeering.

Mr. Breaugh: You are sailing, but you are causing me problems.

Mr. Chairman: You did not put it in the form of a motion.

Mr. Mandlowitz, would you carry on, please?

Mr. Mandlowitz: Mr. Chairman and members, the Canadian Federation of Independent Business has had an active dialogue with the Minister of Municipal Affairs and Housing (Mr. Bennett) on the licensing of businesses by municipalities since November 1981 and is pleased to discuss Bill 11 with this committee today.

By way of brief introduction, the CFIB is a national, nonpartisan political action organization representing the views of 64,000--28,000 in Ontario--small and medium-sized Canadian-owned enterprises. Our membership is composed of proprietorships, partnerships and corporations operating in all sectors of the economy.

The issue of providing municipalities with the power to license, regulate and govern specific trades or businesses has troubled the federation for some time. In a recent mandate vote CFIB members voted 70 per cent against giving municipalities general licensing authority. For this reason the federation and its members are in opposition to any legislation that would have the effect of increasing in any way the licensing or regulatory authority of municipalities. Thus, we find ourselves firmly in opposition to Bill 11. This having been said, however, if this committee and the Legislature are determined to proceed with the provisions of this bill, we would urge you to review and amend provisions that are or may be particularly harmful to small business.

In this regard, the CFIB believes that Bill 11 appears to stress the implementation of regulations in licensing arrangements which could have the effect of restricting business practices in municipalities and, by establishing the power of municipalities over businesses, could create the uneven application of bylaws throughout the province, thereby imposing unnecessary cost burdens and additional paperwork on businesses seeking a new or renewed licence.

Bill 11 will impact upon every small and medium-sized business in the province. Municipal councils will be provided with powers to regulate who can carry on an enterprise; what business class any enterprise is a part of; when a licence may be granted, revoked or suspended; how long a licence shall be in force; and what shall be the licence fee for any business or class of business. Further, municipal councils will be empowered to determine the "competence of an enterprise to carry on in business."

The Municipal Act, specifically under sections 104 and 110, imposed a set of regulations on the independent business sector

that are in addition to the plethora of laws initiated from other levels of government. Bill 11 acts to remove several sections from the Municipal Act and enshrines them in a new draft bill that we feel institutionalizes government intervention in the business community.

Historically, members of the federation have consistently cited regulation and paperwork as major burdens on their business, as per appendix A. When asked to determine which of these problems creates the greatest time and/or cost burden on their business, 20.5 per cent of members identified regulation, while 79.5 per cent cited paperwork. Municipal regulations affecting small and medium-sized business include zoning, planning and building codes and occupational or business licensing.

It should be noted, however, that paperwork emanates in large measure from regulatory requirements. In Ontario 7.8 per cent of our members spend 11 to 20 hours per week on government paperwork, 2.7 per cent spend 21 to 40 hours and 0.9 per cent spend more than 40 hours. In total, 11.4 per cent of members spend more than 10 hours on government paperwork. Eighteen per cent of members identify occupational or business licensing as either a major or a minor problem, as per appendix B.

Mr. Chairman: Excuse me. The clerks not being here, I was looking for a submission. I am sorry gentlemen. There is a submission, exhibit 25, which--

Interjections.

Mr. Chairman: In fairness to the clerks, I might say I notice on their exhibits 26, blank, 17 and 25. I believe things are coming in very quickly.

Interjections.

Mr. Chairman: No, he is well paid, as Mr. Renwick says, overly, extravagantly paid for looking after things like this.

Mr. Mandlowitz: Thank you for distributing them. I spent 35 minutes collating them and I can show you the marks on my hands.

I left off on page 3 in the middle of the first paragraph, where you are assailed with a number of figures on regulation and paperwork. If I could just continue to summarize the Ontario experience, 11.4 per cent of members spend more than 10 hours on government paperwork; 18 per cent of members identify occupational or business licensing as either a major or a minor problem, as per appendix B. Only labour standards, zoning, planning and building codes, and transportation were cited as more serious problems than licensing. As regulations increase, so does paperwork; as paperwork increases, so do costs.

2:30 p.m.

Taken together, these results indicate that CFIB members generally oppose regulation and certainly oppose by an overwhelming majority extending regulatory and general licensing

authority for municipalities. Further, members have expressed the view that, far from government reducing regulation and paper burden for small business, little attention has been directed towards these problems.

Responding to a recent provincial survey, 51.5 per cent of members indicated that provincial government efforts to reduce paper burden, regulation and red tape have had no effect. The following comments from members may help to focus on this problem, and I have listed a few. These are all by way of quotation.

1. "If regulations were succinct and totally enforced, you could live with them, but there is so much uncertainty and inconsistency. They (public servants) should also be much more aware of the relative impacts of regulation effects on large and small firms, which also differs by type of industry."

2. "We have to have regulations, although industry is capable of policing itself. We are also kept in line by the competitive element. My big concern is what do regulations do for my business? As a result of regulations, we are faced with the cost of a growing civil service, many hours spent by industry, the consumption of paperwork and the dollars expended in wages."

3. "The problem with most regulations is that they are very general and do not deal with contingencies--the exception to the rule. Many regulations are made from personal experience and are either too narrow or too general. If I am in charge of making regulations to cover how one should cross a road and I have never seen a 100-foot wide road, then how would I allow for it, or would I?"

4. "The horrendous amount of legislation and regulation in this province is obscene...We must get away from government interference in our lives and go back to the basic free-enterprise system that built this country."

5. "They (public servants) know the businessman cannot afford to lose any one of his many licences. Therefore, the businessman has to concede, even though he is right."

The CFIB must therefore register opposition to Bill 11, highlighted by subsection 2(1), which empowers the council of local municipalities for licensing, regulating and governing any business operating within the municipality. While general licensing powers are conveyed, Bill 11 fails to define "licensing," "regulating," "governing," or "class of business."

Mr. Breithaupt: May I just ask at this point, because it might serve to focus on what we are doing, as to whether, in fact, in the opinion of the parliamentary assistant the contents of Bill 11 change in any way the powers which municipalities now have to do the variety of licensing and other tasks which they have been doing?

Mr. Rotenberg: They change in some ways. Up until now, as we have discussed, the municipality had the power to legislate licensing bylaws in some 60-odd categories. That has been broadened to any category they wish.

Mr. Breithaupt: Even though no one has really used the 60 categories?

Mr. Rotenberg: Very few, but probably Metro has used most of them. But as far as the power of a municipality is concerned, it is basically the same as it was under previous Municipal Acts. There are different nuances, some that may give more power to municipalities, some a little less power to municipalities, but basically it is pretty much the same power to license on a general basis as it has been on 60-odd particular bases.

Mr. Mandlowitz: As one CFIB member has noted, "The issue of 'class' or 'type' of business is significant because, for example, business estimates are based on a standard figure as set out in the Assessment Act and linked to the type of business." This is a specific problem which, I might add, we are pursuing right now.

There is a great fear among small businesses that while an application for a licence may satisfy the letter of the law, jurisdictions may nevertheless be provided with an opportunity to impose evaluative standards arbitrarily. Small businesses fear general licensing because of the feeling that licensing is done by public officials who may have little or no business knowledge and who are aware that a business can usually ill afford to contest or lose a licence.

While section 6 of Bill 11 establishes an acceptable automatic five-year expiry date for licensing bylaws, paragraph 2(4)(e)(1) provides the power to fix the time for which a licence shall be in force. It is unclear whether a municipality can force licence renewals at regular intervals, say, six months, one year, two years, or at the discretion of council, with frequent new costs and paperwork for the business if renewal is on a short-term basis.

Allowing each municipality to autonomously establish licensing arrangements could hinder the normal flow of commerce between municipalities, as what may be permitted in one would not be permitted in another. This could impact negatively on the establishment of new businesses and lead to an unnecessary type of intermunicipality competition.

If the intent of Bill 11 is to direct business hours or develop an operational code for Ontario's business community, the federation believes that such initiative should be undertaken through provincial statute and made universal.

The federation firmly believes that it is the responsibility of the provincial government to promote harmony in rules applicable to business in the province. Just as interprovincial balkanization damages business efficiency in Canada, so too does intermunicipal balkanization or differences in business licensing procedures and bylaws.

An example of intermunicipality competition occurs in the city of Ottawa, for example, where merchants compete with Nepean and Hull businesses where in the former hours of operation are longer and in the latter retail sales laws are more appealing to the customer.

The CFIB is concerned that Bill 11 will impose added costs on the operation of a business through licensing fees and possible business disruptions if inspection is deemed necessary. A CFIB member in the real estate business has argued: "In the province of Ontario I am strictly required to relicence myself and my sales people every year. I do not object to the licensing, but the cost is rather high, plus licence forms have to be filled out and notarized once again every year. It seems to me this is an easy way for the government to make a substantial sum."

Further, while the municipality will be authorized by Bill 11 to issue, refuse or revoke a licence, it can also impose a fine for refusing inspection under clause 2(4)(f). However, Bill 11 does not specify what conditions would create the necessity for inspection or how often inspections may be deemed to be required.

Subsection 2(5) confuses this further by providing licensing fees of \$10 per annum, or \$25 per annum if an inspection is required, and subsection 2(6), which alternatively provides for municipalities to fix licence fees so that the total fees paid to the municipality in any year do not exceed the total expenditures incurred by the municipality for administration and licensing.

While the federation does not oppose the principle that a total licensing fees should equal the costs to the municipality for licensing, the language of subsection 2(6) would indicate a general principle exists whose administration could become unfair. What would occur in a case where municipal expenditures on the administration of licensing exceeded collected licensing fees? Subsection 2(6) establishes provisions for fixing fees to re-establish the cost balance. This should not mean that a municipality could employ the adjustment of licence fees as an alternative to controlling its own costs of administration.

CFIB members overwhelmingly support the view that the level of government which administers a program be made responsible for financing it. Nevertheless, CFIB would hope that Bill 11 will not result in: (1) municipalities raising licensing fees or renewing licences more regularly in order to raise revenue, or (2) in a proliferation of inspection. At the very least, the CFIB believes it is important that a cap or fixed level of fees for licences issued by council be established and, similarly, that a cap or fixed level for fines imposed on enterprises refusing inspection be established.

Business will gladly adhere to licensing provisions if an assurance exists that the municipalities will operate a trim ship. Further, certainty or clarity about what the rules of the game will be is critical to the operation of any business. Arbitrary rulings by bureaucratic whim are anathema to business decision-making.

Bill 11 establishes, through clause 2(4)(e), a difficult and potentially dangerous competence principle. This section provides for an examination to determine the competence to carry on or engage in the business or any class of the business in respect of which a business is applying for a licence. Competence is undefined in Bill 11.

Does competence mean the ability to manage a business, the accounting knowledge to prepare financial statements or the training received as a result of obtaining professional instruction and certification from a recognized body like the Law Society of Upper Canada? Paragraph 2(4)(e)1 in no way addresses this issue, resulting in a highly arbitrary provision which no public official could welcome.

2:40 p.m.

Subparagraph 2(4)(e)1A discusses the failure to pass an examination but Bill 11 fails to establish the criteria for initiating an examination or who will serve in the capacity of examiner. One can only assume from paragraph 2(4)(e)2 that an applicant for a licence who can prove qualification is exempt from an examination, but even the nature of the qualification is unspecified.

The Canadian Federation of Independent Business is curious as to the reasons for including such a section. However, where the need is reasonably established, the federation believes competence must be clearly defined as well as who, under paragraph 2(4)(e)(3) is considered to be qualified to evaluate competence.

Section 3 specifies that a council should not confer the exclusive right of exercising any business or impose a special tax on any person exercising it or require licences to be taken for exercising it unless authorized or required by Bill 11 or any other act.

CFIB appreciates the intention of this section to protect individuals from discriminatory licensing requirements and to prevent municipalities from granting a monopoly position in a particular business class. This will protect free enterprise and is welcome.

Nevertheless, CFIB remains concerned by instances where municipalities have provided their own services in competition with private enterprise, often at a greater cost than similar services provided by the private sector. While Bill 11 addresses the issue of protecting individual rights, it seems not to consider municipal decisions regarding exclusive revision of services such as garbage removal.

To prohibit the extension of monopoly status to certain municipal services, CFIB believes Bill 11 should indicate that municipalities should as a general policy rely on competitive private enterprise for goods and services.

We close with eight recommendations and a short conclusion:

1. Section 1 include definitions of licensing, regulating, governing and classes of business.

2. Bill 11 specify under clause 2(4)(i) the time period for which a licence shall be in force and at what intervals renewals shall be required. The CFIB is opposed to unnecessarily frequent requirements for licence renewals and the paperwork and costs inherent therein.

3. A mandatory parliamentary review of Bill 11 before section 6 may be extended beyond January 1, 1988.

4. Bill 11 should specify under clause 2(4)(f) the conditions which would necessitate inspection and how frequently inspection may be required.

5. The committee establish the reasons behind the need for the competence provisions. Having done so, section 1 should define competence to clarify clause 2(4)(e) and establish under subparagraph 2(4)(e)1A the criteria for initiating an examination and who shall serve as examiner.

6. This committee consider redrafting section 3 to include provisions preventing municipalities from either issuing monopoly positions to business or holding such status themselves. Municipalities should, as a general policy, rely on competitive private enterprise for goods and services.

7. Fixed amounts be established for fees and fines required of a licensee under clause 2(6)(a) and clause 2(4)(f).

8. This committee consider that clauses 4(1)(c) and 4(2)(c), specifying areas where adult entertainment facilities may operate, have the effect of zoning business areas and would be more appropriately placed in the Planning Act, Bill 159.

CFIB appreciates the effort undertaken by the province of Ontario as in the case of the Planning Act to provide clearer direction to local government.

In the context of Bill 159, the Minister of Municipal Affairs and Housing has indicated municipalities will have to request approval powers which are delegated from the provincial government and also show that they have the administrative capabilities to carry them out. At the very least, the same criteria should be satisfied in the application of licensing businesses.

Finally, CFIB has grave reservations concerning the thrust of Bill 11 which will contribute to and extend the overwhelming regulation and paper burden problems already facing small business. It has been our intention to raise for your consideration sections in the bill which are arbitrary and vague.

Mr. Brandt: I have some difficulty rationalizing the position of the municipal attitude towards Bill 11 and that of

business generally. As you recall, I asked the delegation from Sarnia yesterday what would happen to licence fees.

Mr. Rotenberg: What's that?

Mr. Brandt: You have heard of the city of Sarnia, I am sure.

Mr. Rotenberg: It is in Michigan, is it not?

Mr. Brandt: Close; in fact, they are just across the river in close proximity.

Mr. Chairman: They are policed by Michigan.

Mr. Brandt: I have a serious question I want to ask you. The problem I have is the municipalities tell us fairly consistently that their fees are going to go down, that they are not regulating all of the businesses that are allowed under existing legislation. One example was some 30 businesses, roughly, out of 70 were being regulated and that this concern being expressed by business, to the effect that municipalities are going to go out and regulate everything that moves and a lot of things that do not move, is nothing more than a figment of businesses' imagination.

There are two things that they argue. One is that the total gross income under fees for licences will probably not go up and in many instances will go down, rather dramatically in one case that was cited yesterday. Second, simply because permissive legislation may be passed allowing the licensing of a new category or categories of businesses, this is not necessarily going to happen and the only place where it is happening now is probably in Metro Toronto where they do licence virtually everything. But most other municipalities are not licensing the various categories. So there are two totally inconsistent positions.

I can understand the fears, the apprehensions and the problems of what might happen under the legislation, but I wonder if you might respond to that because certainly the municipalities are not agreeing with some of the things that are in your brief.

Mr. Mandlowitz: Let me begin by referring back to one of the member's quotations on page 4. I think the message we are getting from our members is that all of them naturally oppose regulations. If you ask a small business person to comment on regulation, he will say, without any difficulty, that they are a hindrance and a burden. Nevertheless, if there are fair regulations, they are willing to abide by them.

The position you have raised has to be dealt with at a perceptual level for our members. Their view is that perhaps the most dangerous thing out there facing them is permissive legislation and they feel, in terms of their contacts with inspectors and public officials in general, that unless legislation is very narrowed, they are subject to arbitrary interpretations.

So on the permissive side, your argument that it may not necessarily happen, the answer is if there is any abuse, it should never happen and that should be a standard by which we judge legislation.

I cannot comment specifically on the gross income figures you are putting forward, but the small business person would look at it from the other side. Our figures indicate that they believe--and this will not come as a surprise either--that both their municipal property tax and business tax in this province are overly high. Responding to our 1981 provincial survey, 54.3 per cent indicated they thought both of those aspects were high. Their concerns are looking into the system and knowing that their costs on a day to day basis increase. Those are, in part, a reflection of regulations and paperwork which emanate.

Mr. Brandt: As a further question, I have some difficulty in accepting the comment that business is virtually unanimous in its opposition to regulation, because in many instances--and appearing this committee earlier today we had the cab operators from Metro Toronto and others who fall into similar categories--the business community are the very ones who are asking for certain regulations. I find some inconsistency in the business position.

I have already gone on record earlier with this committee as having said that if we do anything in this committee it is to be extremely careful about putting any impediments in the way of business in the present economic downturn. I do not think we can afford it and I feel very strongly about not doing anything that would harm business in any way at this particularly critical time.

But I want to make sure I am getting a balance in my own mind as to what business really requires by way of an operating environment that can perhaps enhance business, protect the consumer, look after the rights of individuals who are dealing with businesses, and so forth. But at the same time, I think we have to get into the proper context the fact that there is no evidence yet before this committee that costs to the business community are going to go up as the result of the passage of Bill 11.

I ask the parliamentary assistant, am I missing something or do you see any way? It is quite the reverse of that. We are controlling certain fees that are not controlled at the moment and that would probably reduce the cost, as I suggested in my earlier statement. Is that not correct?

2:50 p.m.

Mr. Rotenberg: In many of the 60 provisions of the Municipal Act there is no limit on the fees a municipality can charge. To that extent Bill 11 will restrict the municipality from charging. I want to point that out, because some fears have been expressed by this deputation and others. To the best of our knowledge we have not had any problems or complaints about municipalities overcharging where there is no limit on fees. We have had no complaints from businessmen that fees have been used,

in effect, to make it prohibitive. We have not had any indication that that is happening out there in municipalities up until now.

Mr. Brandt: If anything, we are getting some complaints from the municipalities that perhaps the fees are too restrictive and do not allow businesses to recover their costs. That should be pointed out to your membership as well. We are not just simply opening up a whole new area for local government to take another crack at small business and to extract exorbitant fees out of them as a result of Bill 11.

If that impression is getting around out there in the business community, I would have to suggest, from my period on this committee, that it is an erroneous impression and totally incorrect. That is not my reading of it. It is moving in quite the opposite direction. I speak as a former municipal official, and I think the Honourable Herb could say the same.

Mr. McLean: Supplementary to that, Mr. Chairman: From the 16 years I had on municipal council, I know that when you license any sector of society you are very conscious of the fact that you do not want to lose them. When an industry comes in, or a service station or any of these people comes in, that is the first thing on your mind. You want them there, and therefore you do not put them off by putting on a fee that is prohibitive in the first place.

Mr. Brandt: The exceptions being the specific area of the bill that relates to body-rub parlours and to adult entertainment parlours, that sort of thing. That is a different matter, but other than those--

Mr. Mandlowitz: The notion of balance is something you want to be very careful about. I would like to bring to the attention of the committee what I consider to be a very balanced and good piece of work in the area of regulation of small business. It is a study that has been done by Rein Peterson and Mari A. Peterson of Sydney, Nova Scotia, for the Economic Council of Canada. The title is Working Paper Number 24: The Impact of Economic Regulation and Paperwork: Is Small Business being Crushed? If I could just read a paragraph or two, I would like to leave this with Mr. Brandt. I am reading from the bottom of page 5, and it confirms, in some sense, the views of our membership that I read before.

"Regulations are seen as part and parcel of being in business by most small business persons. You tell me the rules and I'll play the game. What owner-managers complained about"--and I should say parenthetically, a number of interviews were done by these people and that is what they are referring to--"was vagueness, uncertainty and inconsistency in regulation. Some uncertainty often dampened their enthusiasm or delayed their expansion decisions. Capital to meet regulatory requirements is often difficult to get, because such investments are considered as being nonproductive by bankers. Growth can be impeded when limited available capital is diverted to such nonproductive enforced investments."

They list some alternatives, which might be useful for the committee to know as well. "Alternatives to economic regulation suggested tend to involve process rather than content." I think that was the theme of our brief. "Why not consult with knowledgeable small business experts when conjuring up new regulations? Combine federal, provincial and municipal inspections into one, to avoid unnecessary duplication. Co-ordinate information, reporting needs of government departments. Resorting to regulations should be a last resort."

It is an excellent report, aside from the fact that he uses all our data. The conclusions are drawn quite independently.

Mr. Brandt: Excuse me, if I might interject, because you interrupted me. I felt it was only appropriate that I should do the same before you get started.

Mr. Breaugh: Having taken 45 seconds to say that, say the rest of it.

Mr. Brandt: I just wonder if that report might be available to us.

Mr. Mandlowitz: I will leave the reference with the clerk. I suspect you have it in the legislative library. It might be quicker to get it from there, rather than photocopying and getting a copy to you. It runs to 117 pages and I think it is well worth looking at.

Mr. Breaugh: I want to talk a little bit about vagueness and inconsistency, because you have mentioned that the bill suffers from that. I want to point out that at the top of page 4 where you are quoting opinions, which I find interesting, you begin by saying, "We have to have regulations, although industry is capable of policing itself." In the middle of the page you say, "The horrendous amount of legislation and regulation in this province is obscene."

Which argument would you care to make? While I am listening to you tell me about how terrible regulation is, I get from the Bakery Council of Canada a rather dramatic appeal that they must have more regulations, that:

"Many years ago Ontario bakers, concerned with the proliferation of bread weights and its ultimate effect on the marketplace, sought assistance from the government of Ontario through the regulation establishing sizes for the sale of bread," and so on. "The continued loss-leadering of bakery products by retail chains has served to debase the value of the product in the eyes of many consumers and the industry is constantly faced with declining per capita consumption and shrinking profit margins."

The council goes on to outline that it has repeatedly petitioned the Ontario government on behalf of its members to strengthen the Bread Sales Act to ensure more uniform weights and sizes across the province and also to discourage imports of bread products into the province.

It goes on to say, "In order to maintain orderly markets through the province some standardization of product is necessary." Furthermore, it says, "It has been suggested that the industry establish and maintain its own guidelines for product sizes and that perhaps the bakery council could be a vehicle for initiating standardization. Because policing and enforcement of such an agreement would be beyond the scope of the council's authority and because council is a voluntary trade organization for the industry, this solution is not a practical one."

I am sitting here listening to municipalities saying consumers and the people who live in their municipalities are having problems and so there is a need to regulate. Then I see groups like yours representing small business coming in and saying two very strong things: one, that there is "an obscene amount of regulation," and the other, that you have got to have regulations. Every time we make a move on this, some small business group rears its head, saying, "We need even more regulation." This is called suck and blow in my world. Could we have one side of the argument? Just light on one side of it and give me that for a while, will you?

Mr. Mandlowitz: I think the second quotation on the page you referred to is more representative of the view we are getting from members through letters, phone calls and the like. The first one, to put it in context, I believe to be a resigned view of a particular individual, who began his note by indicating that he too opposes regulation, but it would appear that the position of government is that we have to have regulation. He is concerned because he believes industry can police itself.

Mr. Breagh: Can I just stop you there? I get a regular flow of correspondence from groups like the Bakery Council of Canada, who are not making an argument that the government wants the regulation. The argument they are making, very dramatically, is they want the regulation. They want us to exclude someone else from the jurisdiction. They want some uniformity so they can compete in the marketplace. They want the big chains ruled out of order for offering loss leaders or for driving small business out of business.

I am looking for a little consistency from small business, as well as everybody else, and I must say I am having some difficulty addressing myself to your concerns when I am not getting a clear message. The vagueness about there being too much regulation is certainly true, in my view, but make up your mind. Are you talking about not enough regulation that you wrote, or too much regulation altogether? Give me one side of the argument consistently, please.

3 p.m.

Mr. Mandlowitz: I think if there is one thing you will find at the end of these hearings and forever it is that the small business community is by no means homogeneous in its views, as is evidenced by our votes. We never get 100 per cent acceptance of a point of view. If we did, we would know immediately that we are stacking the questions in our surveys, and that would be very

dangerous. The highest recorded vote I think we ever got on one side is 96 per cent, and that was, I hesitate to--

Interjection: The MacEachen budget?

Mr. Mandlowitz: Oh no. That is 110 per cent.

Mr. Breaugh: Now there is a case where there is a need for regulation if you have got 110 per cent.

Mr. Mandlowitz: The data I use on page 2 indicate that a great many of our members have indicated to us through our resource vehicles that they oppose regulation and they feel they are overregulated. I cannot tell you how many of our members are on the bakery council that you refer to. I know I buy my own doughnuts, so certainly they are not as an association delivering to it.

I think the simple answer is that you are not going to get a homogeneous view. I am not here representing every small business in this province; I am here speaking on behalf of a group of 28,000, many of whom we have surveyed.

Mr. Breaugh: Let me address myself finally to a couple of things you have in your survey results as someone who tries to follow your mandate predictions. I must say first of all that I find the way you print up the results of your surveys slightly confusing.

I want to refer you to appendix A, which you have included with your brief. This problem, which has been referred to by some anonymous source in your brief as being obscene, never did get a rating in any of the quarterly surveys higher than 8.7 per cent from a decline at the bottom of 6.1 per cent. Now, my reading of this--correct me if I am wrong--says that at the peak of this rebellion here no more than 8.7 per cent of the people you represent felt that government regulation or red tape or whatever name you want to put on it was their biggest problem. It never got higher than number five and, even at that, fewer than one in 10 said it was the big problem. And that is called obscene?

Mr. Mandlowitz: I knew this question was going to come up, and I think it is a good one. It is important to understand the context in which this question is put. It is put to a member face to face by one of our field representatives in person in the context of a larger survey.

I dare say that the government regulation and red tape category has done extremely well for this reason: If you walk into a small businessman's office or his store today and ask, "What is the most important problem facing your business today?" I would be surprised if the first thing he said was paperwork. If he does not say interest rates or inflation or the state of the economy, then you either have got someone who has been hit by a specific point of regulation that morning or that week or you have somebody who is a hell of a good manager and who is not being affected by what most individuals in the economy are being affected by.

That is the reason for the asterisk: to try to note that in periods prior to fourth quarter 1980 the responses to "high interest rates," "inflation" and "business slower than normal" drop when you have a more regularized economy, not a five-quarter recession with high interest rates over that extremely long period. Some of these other items--"total tax burden," "shortage of qualified labour" and "regulation"--move up accordingly.

The question in presenting these--just to give you a feel for the responses--was how far back does one go. We could go back to 1974 with numbers. But there is a dependence in the trend: As economic variables become more of a significant problem, naturally these operational ones drop. It is not surprising; 8.7 per cent, I think, is very high.

Mr. Breaugh: I have one final question for you, then, on the conflict that I foresee coming from small business today. The committee is sitting here in general terms hearing small business people say: "There are just too many regulations. We do not want any more, and we do not want the municipalities to regulate us."

Now, if we accept that as being your prime message, is it also reasonable to assume that when groups like the bakery council come in asking for more regulation we should say: "We are sorry. We would like to help you out, folks, but the bottom line from your organization and from your surveys is that there is too much regulation. So even though a regulation might help your business stay alive, the general consensus in the business community is that there is too much regulation out there, and we are not going to pile any more on top of you."

So no matter how badly you ask for it, whether you are Joe's Bake Shop selling doughnuts and asking for more regulation, or General Motors of Canada asking for more regulation, you are not going to get it, because the business community has clearly told this committee that you do not want any more regulation of any kind, whether you want it, whether the consumer wants it or whatever. Would that be a reasonable way to proceed?

Mr. Mandlowitz: Clearly the position you want to stress is one of balance and responsiveness. I tried to paint a picture of how our members respond. The reason you are there and I am on this side is that you have to deal with the various views, and if you are getting conflicting views you are in a better position to balance those than I am. I am merely telling you that the message we get from our members is to oppose two things: regulation and taxes.

Mr. Breaugh: That's not unusual.

Mr. Mandlowitz: That's it.

Mr. Breaugh: I'll bet I could have guessed that even without a brief.

Mr. Mandlowitz: Any kind of taxes, including--well, I will not get into that.

But it is a good dilemma, and I am struck by work being done in the United States as another jurisdiction that is tremendously sympathetic to small business on the regulation side. In fact, they are bending over backwards to establish regulatory differences between large and small firms, and I have brought a couple of studies with me to which I could refer the committee to indicate just how that is developing.

As recently as March 1982 a report to Congress transmitted through the President endorsed the idea, for example, of tiering, two levels of regulation. One is for large business because financially they can handle it. They can hire the lawyers; they can do some of the shuffling required, in essence, to deal with the law; they can do the lobbying. Small business cannot. The federal government in the US, recognizing that, has taken it upon itself to try to differentiate between large and small firms and the impact regulation will have on them. They have done it in other areas: they have got proposed legislation on the paper burden that is coming.

They are extremely progressive. That says to me that they either have been well lobbied by certain groups, or the Small Business Administration has really hit on the fundamental point that I know the Canadian Federation of Independent Business has been arguing for quite a long time: the differences between large and small businesses and, within the small business community, the question of survival versus growth.

Mr. Breagh: One thing you might do that would be of some assistance to me and, I suspect, to the rest of the committee would be for groups like yours to get off the philosophizing about being against regulation and begin the process of helping us to identify which regulations do somebody some good somewhere and which are totally useless, so that we could arrive at a consensus that they are useless and do away with them.

That, I think, is part of our problem when we write this kind of legislation. We often write the principle into it and then we do a clause-by-clause debate, but we rarely get to see on-the-ground application of the regulation. It is rare for a business person, for example, to present not just the point of view that he is opposed to regulation but the specific regulations that are really dumb from everybody's point of view.

Perhaps tiering may be a good idea, and the Americans have done some work on that. But maybe if we just got to the point where business, instead of harping against regulation, could identify for us which ones are particularly obnoxious, stupid and useless, we might even have the good common sense to remove some of those.

3:10 p.m.

Mr. Mandlowitz: You have hit phase two of my summer project. Phase one, which is under way, is a statutory review. The federation is not the only body examining what small business programs currently in place in the provincial government are useful and/or necessary. That is a major task.

Just to merely look at the publications of the number of acts that ministers are responsible for--look at what Dr. Elgie is looking into--is just an armful. We are attempting to plough through that right now, targeting a couple of priority ministries in order to get a handle on the kinds of concerns you have. If we can ever get through the legislation, the regulations are obviously next. I am afraid I will be an old man before that occurs.

Mr. Breaugh: We might even get to see Claude Bennett before that happens. Who is Claude Bennett?

Mr. Chairman: Thank you. I believe that does it for your presentation, and those were the questions.

May we carry on with the second group? They are from United Parcel Service, and Mr. Smith is the president. Might I point out exhibit 30 is a brief from United Parcel Service Canada Ltd. I believe that has been circulated.

Mr. Smith: Mr. Chairman and honourable members of the committee, as you know, my name is Glenn Smith. I am president of United Parcel Service Canada Ltd.

UPS is a carrier of small packages. We are licensed by the government of Ontario to pick up and deliver between virtually any two points in the province. We are also licensed to carry parcels into Quebec and to the 48 contiguous United States. UPS has been a small parcel specialist since 1907. In our 75 years of operation we have developed a reputation for picking up and delivering parcels dependably, quickly and at a cost to our customers which is competitive to that of the post office.

UPS has been operating in Canada since 1974, initially as a local cartage business in Toronto and other major Ontario cities, including Ottawa, Peterborough, Windsor, Hamilton and, since 1980, province-wide by virtue of a PCV licence. Our PCV licence was awarded after two public hearings at the Ontario Highway Transport Board. One of those hearings was overturned by the Minister of Transportation and Communications because the first written decision, which denied us a certificate of public necessity convenience, was improperly prepared by the board.

Our business mission in Ontario has always been and continues to be to provide an efficient and reliable small parcel delivery service to and from any address in Ontario reachable by our vehicles and drivers at a cost competitive to that of the heavily subsidized Canada Post. As many of you know, getting the right to provide our services has not been easy for UPS. In fact it took more than four years, during which there were several trips to the Ontario Supreme Court, plus two full public hearings at the Ontario Highway Transport Board.

In our early stages of development in Ontario, I personally walked in off the street and introduced myself at the Metropolitan Toronto licensing commission. I was warmly welcomed and asked for three cartage licences which were given to me within a couple of

days. Several months later I returned and asked for three additional plates, but the atmosphere by then had cooled considerably. I was told that UPS would have to participate in a public hearing. At the hearing, our application for cartage plates was opposed by several local carriers. In the end, the Metro licensing commission refused to give us the additional plates. The commission decided that UPS would not be of significant benefit to Toronto.

If that wording has a familiar ring, it is because some of our competitors made the commission aware of the fact that the Foreign Investment Review Agency had recently ruled against us in the matter of two acquisition proposals. The Metro licensing commission had concluded somehow that because two proposed acquisitions had been found not to be of significant benefit to Canada, United Parcel Service Canada Ltd. itself would not be of significant benefit to the municipality of Metropolitan Toronto.

We appealed the Metro licensing decision to the Supreme Court of Ontario and the court decided that the Metro licensing commission had, in fact, exceeded its mandate. The decision was overturned.

Because we began our operations in Toronto and expected to operate several vehicles exclusively in Metro Toronto, it seemed reasonable that we have cartage licences. That is why we applied for them. But in 1980, after we were licensed by the province to serve the entire Ontario population, it was essential that we reorganize our operations for flexibility and efficiency. Committing vehicles and drivers to operate wholly and exclusively within one municipality became impractical.

Since that was the case, and because our understanding of section 227 of the Municipal Act led us to believe that we were no longer subject to local cartage bylaws, we operated accordingly without incident.

However, a few months ago, based on a complaint from a competitor, Waterloo region charged us for not having a cartage licence. We were still certain that section 227 gave municipalities the right to license, regulate and govern only carriers operating wholly within the municipality. In other words, the municipality in our view was only authorized to regulate carriers operating exclusively within the municipality, which today is clearly not the case with UPS. Our vehicles routinely enter and leave Waterloo and hundreds of other Ontario communities every day and no parcels are picked up and delivered on the same day within any community.

In any event, Waterloo felt we were subject to its cartage bylaw and ordered us to a hearing. We attended the hearing, and within the last few days were granted our licences.

To get a cartage licence in the region of Waterloo, a carrier "must show a need for their service in the municipalities in which they intend to be licensed." This policy was adopted as a result of a meeting in July 1974 between Waterloo's licensing committee and local cartage and trucking associations.

Ironically, the PCV review committee which is examining every aspect of regulation of commercial vehicles in Ontario will be considering quite seriously the relaxation of requirements for the entry of for-hire carriers into Ontario markets. It is likely, in fact, that the province will adopt a simple fitness requirement, thereby opening transportation and distribution industries to competitive market forces. But for now the regulated and protected market is the order of the day.

The Waterloo hearing policy was undoubtedly established to protect local carriers from any unregulated operators in the region. But carriers with PCV licences, operating through and beyond the municipality, far from being unregulated, are strictly controlled by the province. Through provincial legislation and regulation, local carriers have several layers of protection from interurban carriers. For example, section 13 of the Public Commercial Vehicles Act allows the Minister of Transportation and Communications to designate commercial cartage zones and to ask the Ontario Highway Transport Board to examine the economic impact on existing local and interurban carriers.

During our hearings at the transport board, there were several local carriers opposed to our application. But the board concluded that UPS was serving a unique market, one shared by Canada Post and Canpar, a subsidiary of Canadian Pacific. In other words, in the case of provincially or federally regulated carriers, local hearings of public necessity and convenience appear to be an unnecessary and duplicative regulatory procedures.

Because of our need to serve every corner of Ontario, and indeed every citizen, efficiently and with operational flexibility, we believe UPS and any other carrier in our position should be exempted from local cartage bylaws. Our principal competitor, Canada Post, is already exempt.

No carrier operating province-wide can afford to commit staff and vehicles exclusively to specific communities and be expected to continue to serve Ontario's far-flung mines, mills, farms and smaller communities on a daily basis. The economics simply will not sustain a province-wide service forced to operate in some communities under cartage bylaws.

3:20 p.m.

The Ontario Highway Transport Board has for years in its annual reports called for carriers to supply reliable and low-cost small parcel service to northern Ontario, small communities and many out-of-the-way places. We would very much like to provide that service, but we feel it is only fair that a service such as ours be exempted again from local cartage bylaws.

I would like to recommend that in Bill 11, under section 2, a new subsection be added to be known as subsection 2(9) and to read as follows:

"This act shall not apply to motor or other vehicles exclusively carrying parcels not exceeding 45 kilograms in weight, provided that such vehicles are operated by persons licensed under the Public Commercial Vehicles Act."

Mr. Breaugh: I have a couple of questions regarding your brief. On page 4 you offer your definition of where the line should be drawn, that if a carrier operates solely within one municipality, maybe you might grant that Bill 11 would kick in and the municipality would do the licensing requirement. It strikes me, particularly in the cartage business, the nature of the industry is to take it from one place to another and it has no concern with municipal boundaries. Aside from Metropolitan Toronto, I cannot conceive that this is a very practical way to proceed.

Mr. Smith: Let me give you an example of a problem we face today. We now operate our terminal for Metropolitan Toronto in Mississauga. We have about 95 vehicles operating in the Metro area, as far west as Oakville, as far east as Oshawa and about 30 miles north of Metro Toronto. At present, we have Metropolitan Toronto cartage plates on each vehicle. Clearly it is not needed, but when you get into running the business and attempting to make sure you have the proper licensed equipment each day for preventive maintenance, accidents or whatever it might be, we then foot the additional expense of the plates on the vehicle.

Mississauga is now contemplating a cartage bylaw. Our concern is, will we now have to have 90 more plates on the same vehicles that are housed in Mississauga yet operate pretty well wholly within the confines of Metropolitan Toronto? That is a little more graphic picture of how this jurisdictional problem arises.

If our terminal was at 1 Front Street and we had 60 vehicles that never left the confines of Metropolitan Toronto, there would be no dispute at all as to whether we should or should not have cartage plates. When it goes beyond that, what regulation are we then subject to? Are we subject to the Public Commercial Vehicles Act, are we subject to the local bylaw, are we subject to federal regulations because we have an X licence for the US and Quebec?

Kitchener-Waterloo is a prime example. We just went through this scenario down there. It is my understanding that we are now going to be required to have six additional plates on each vehicle. Each driver will have to have a metal tag displayed on his shirt. This is how these bylaws can complicate the day-to-day running of the operation on a province-wide basis.

Mr. Breaugh: You seem to be pointing out what many of us anticipate. The provincial minister seems to be making noises about moving out of the regulatory field. While that minister is stepping out of one door, another minister is stepping back in a side door saying, "We are now going to have the municipalities regulate in their own manner." Do you see any sanity in that?

Mr. Smith: No, I do not. The Public Commercial Vehicles Act was enacted 55 years ago, in 1927, and it clearly has the power to designate cartage bylaws. I personally do not think, at least in our position, that we would want to be subject to each individual municipality's bylaw in trying to operate a province-wide service.

Mr. Breaugh: One of the problems we had in our area with all this, and I am not sure that Bill 11 is going to do anything but further complicate the case, is that Ontario said, "We want a regional government out there, we want to establish a go-east policy and we want to develop an industrial base other than the large auto manufacturing sector." So we are all sitting on the councils out there working like mad to get these little industries out there.

They are related to Toronto-based firms manufacturing a wide variety of parts and finished products. The only hangup is to get that from Oshawa to Toronto. Whether you are supplying another company or shipping to an international market out of Toronto, you go through two cartage zones. It seems that all of the work the municipalities do to generate some new industrial base runs headlong into the regulatory process, which mitigates against us.

For example, the cartage zone in my area runs roughly down through Pickering and Ajax, so that part of the region is within the Metro cartage area and gets the same rates. If they come across the municipal boundary line into Whitby or Oshawa, they get zapped with double rates. I can see some sanity prevailing by saying you should eliminate those cartage zones or balance them or do something which allows for a little freer flow, but it seems to me that Bill 11 is going to set up a situation where, instead of now having to go through two cartage zones, we may have to go through four or five to make it into Toronto.

Mr. Smith: You could well have that happen.

You mentioned rates. I would like to draw to the attention of the committee that section 1 of the proposed act defines "business" as a business carried on within the municipality. Yet at the top of page 11, and in clause 4(3)(a), it says, "used for hire for the carriage of goods or passengers...establish rates...either wholly within the municipality or to any point not more than five kilometres beyond its limits." There is a little inconsistency there in my view as to whether the business should be wholly within that municipality. I don't know if that is just an oversight.

Mr. Rotenberg: Is that same wording not in the present legislation?

Mr. Smith: Except that in subsection 227(1) it says, "for goods or passengers either wholly within the municipality..." It is in the present legislation, but when you repeal or eliminate section 227 you are then left with what is in item 1, which says "within," not "wholly within."

Mr. Breaugh: That is my problem. I don't quite understand how this is going to fit. If the province generally steps out of regulation of the cartage industry, that may resolve the problem that my small manufacturers have now of having to go through two cartage zones. That may be resolved, but in its place they may be faced with having to go through four or five cartage

zones, and the companies having perhaps four or five rates to pay and, a little more likely, at least four or five sets of licences to get. It seems to me we may have a problem getting something from Oshawa to Toronto.

Mr. Smith: That is why I take the position that if you are operating outside of the municipality, then you ought to be subject still to the Public Commercial Vehicles Act and not have to layer up the regulations. If you are going to operate in Windsor, and I will take just household moving, and you are making moves locally within the municipality, then I think it is perfectly within the right of Windsor to say it is going to regulate that moving company. The problem you get is that when moving company now goes to two or three other communities, what regulations will apply to that moving company?

Mr. Breaugh: Could the parliamentary assistant tell us a little bit about the intentions of government in all of this?

Mr. Rotenberg: Bill 11 does not really change anything from the present section 227 of the Municipal Act because 227, both from the way the act is and the court cases, allows a municipality to license those that carry on business within their municipality. It also allows the municipality to establish rates and fares to be charged by owners or drivers within or not more than five kilometres beyond its limits. The exact same wording is in the present legislation.

3:30 p.m.

The interpretation is that where a firm operates, say, wholly within Oshawa or Windsor, it is licensed municipally. Where they are doing long-distance moving or long-distance cartage it is under a PCV licence. The problem that United Parcel Service Canada has is that it does both. They operate both totally within a municipality and inter- and intramunicipal. They do both. Therefore, they really come under two different provisions. They come under the Public Commercial Vehicles Act for operating from municipality to municipality and they come under the Municipal Act for the business they do totally within the municipality.

In other words, if they are going from the Royal York Hotel to Yonge and Sheppard or from one point in Oshawa to another point in Oshawa, Oshawa is going to require a licence for that business. If they are going from municipality to municipality, Oshawa or Toronto cannot require a licence. They have to have a PCV licence. That is the present situation and, as I interpret it and as our staff and our lawyers interpret it, Bill 11 really changes nothing from the present legislation.

Mr. Breaugh: That is not exactly my concern. My concern is that it has been stated on more than one occasion now, I believe, by more than one minister they would like to deregulate the trucking and the cartage industry. Currently, it seems reasonably clear that it is the province that is going to regulate, govern, whatever, a kind of interjurisdictional cartage and trucking.

If they step out of that, then what I am left with is Bill 11, which clearly defines the right of a municipality to cover cartage within its boundaries and by kilometres or whatever it is outside of it. It seems to me the door is rather open to have a slight extension of that.

I want to know what your clear intentions are. First of all, did you consult with other ministries in drafting this provision so that we are not caught in this problem and, secondly, is it clearly your intention not to let us get involved in that kind of messy situation so that it is clear who governs that cartage industry?

Mr. Rotenberg: Yes, we did consult other ministries. Second, I think it is clear who governs what. The intermunicipalities, those that go from one municipality to another, are governed by PCV. Those that are totally within the municipal boundary are governed by the Municipal Act.

When you talk about deregulation, which has not happened yet, as we have only been talking about it, we also have the option raised by UPS and others to do some deregulation so far as municipal cartage licences are concerned. Cartage licences come under the general umbrella of what we have for taxis where they can limit the number. They cannot have a show-cause why you need it but they can set rates and things like that, which you cannot do for plumbers or bake shops or driving schools and so on.

It would be the option of this committee, but I think one of the things, although it is not quite explicit in what Mr. Smith put before us, we would probably want to have, although maybe a municipality can still require a licence for those who are within its municipality, is to deregulate it to the point where it does not have any control over rates or fares or number of people in the business.

A municipality now has the right to control the number of cartage companies operating within a municipality, and municipalities now have the right to control the rates within the municipality. It is for the cartage people, the movers or the cartage people operating in Metropolitan Toronto, the Metropolitan Toronto Licensing Commission sets rates, as it does for taxis, but it does not set the price in the bake shop.

There have been no requests--this is the first one as far as I know--either from municipalities or from cartage companies to change that regulation because for many cartage companies it is an advantage. I guess it is a bit of monopolistic competition. It is an advantage to cartage companies that have licences to have some restriction about getting in the business or have restrictions about those coming into business being able to cut the fares to get business.

We have those regulations, or the municipalities have the power to regulate cartage companies, such as taxi companies, to a far greater degree than to regulate all the other 60-odd businesses they can licence. If you are thinking of deregulation

on a province-wide basis at that time, I think the initiative should come from this ministry to parallel some possible deregulations at the municipal level, but that deregulation has not come yet.

This committee, and I guess our ministry, has the option to recommend deregulation within the municipality for cartage licences, even before the PCV gets to regulate it.

Mr. Breaugh: The difficulty I am having is sorting out the work of one ministry and the stated intention of one ministry, as opposed to the draft legislation being put in front of us by another. It seems to me they are in conflict and it seems to me your method of resolving that conflict is to let both the province and the municipalities have their way.

Mr. Rotenberg: With respect, Bill 11 is in some ways a new bill, but in many ways it is a consolidation of a number of previous licensing sections in the Municipal Act. I, and our ministry, do not consider this part of Bill 11 to be new legislation or breaking new ground or making any policy decisions. This part of Bill 11 is continuing the present system, the present regulations, the present rules, the present legislation, until such time as there is a decision made to make a change.

The section we are referring to is not as if we are bringing in new legislation. It is a consolidation of licensing. Bill 11 is a consolidation of many other sections of the Municipal Act. It is a consolidation of legislation and in most cases it is not a change. In some cases there is a change.

Mr. Breaugh: You make me very nervous.

Mr. Smith: You made mention of the fact, if I heard you correctly, that there is no change. I have a little difficulty with that because clearly section 227 in my view differs from Bill 11 with respect to wholly within--for example, in clause 4(3)(b) on page 11, it says, "limit the number of cabs or buses used for hire or motor other vehicles used for hire for the carriage of goods or passengers, or any class or classes thereof, that may be operated in the municipality." Clearly section 227 says wholly within the municipality.

Mr. Rotenberg: With respect, "either wholly within a municipality or to any point not more than five kilometres beyond its limits." That is what 227 says.

Mr. Smith: But when I look at clause 4(3)(b) it says, "may be operated in the municipality."

Mr. Rotenberg: Clause 4(3)(a) talks about the five kilometres beyond its limit.

Mr. Smith: It says, "limit the number of cabs or buses used for hire or motor or other vehicles used for hire for the carriage of goods or passengers, or any class or classes thereof, that may be operated in the municipality," not wholly within. Again, you can take all the points in Ontario generating package

volume to be delivered into London, Ontario, and if London decides it wants to restrict the number of vehicles operating in the municipality, it has no effect on the volume being generated across the province.

Mr. Rotenberg: It may be semantic but our legal staff says those two sections mean the same thing. There was some drafting changes when we were redoing the sections, but the intention of drafting this section of Bill 11 was to have the same rules as were in section 227.

Maybe if the words "wholly within" would give you some comfort, I think we will have to take that--we are arguing over possible legal technicalities and, as I say, it was our intention to have the same situation. If that point is agreed with, if putting one more word in gives you comfort, we will certainly consider doing that because it was not the intention to allow them to license the one-way trips.

I think there have been court cases on the fact that where the London company is bringing things into Toronto, Toronto cannot require a Toronto licence for that. Our legal staff advises that would apply even if the word "wholly" was left out of that one situation. Subject to what our lawyers say on the rerun of this, if putting the word "wholly" back in--wholly with a "w"--gives you comfort, that is something that does not cause me too much problem.

Mr. Smith: Well, it does take out the guesswork. If you are "wholly within" there is no question--

Mr. Rotenberg: Wholly within, all within five kilometres.

Mr. Breithaupt: It would seem best to give our consent in order not to require further litigation, if that is the intention of the ministry.

Mr. Rotenberg: Because we have put the establishing of rates in one section and the limiting in another, we have made two sections out of one section. Maybe that is why the word "wholly" got left out of one part of it. As I say, personally, the intention is the same, and I have no problems with that one word. I do not think that is your main problem. Your main problem is the fact that a number of municipalities seem to require you to have a licence when you operate wholly within that municipality.

Mr. Smith: It extends itself to where we may have a terminal in Cambridge and operate in Guelph, in Kitchener or in any one of the communities. On any given day we may have two or three vehicles in there. Are we conducting the business within that municipality? We have our terminal in Cambridge. We do our billing, and everything is done in Cambridge. Are we, in fact, conducting a business in that municipality? That is where our real problem comes.

Mr. Rotenberg: I think the question becomes one of when you pick up in Kitchener and deliver in Kitchener, even though your terminal is in Cambridge, is that a business wholly within the municipality. Therefore, do you require a licence for those trips that you do wholly within that municipality?

Mr. Smith: It is a unique problem.

Mr. Rotenberg: It is a unique problem because I do not think there are very many firms in Ontario, except maybe Canada Post, which is exempt from this, that do the same sort of work as you do.

Mr. Smith: Canadian Pacific does, I think.

Mr. Rotenberg: They would have the same problem with licensing as you would then, would they not?

Mr. Smith: They do. Interestingly enough, in the Waterloo situation when we were charged with not having a cartage licence, ironically none of the couriers have licences. We asked the same question, why not Purolator? Why not Loomis? Why not BDC Ltd.?

3:40 p.m.

Mr. Rotenberg: What was their answer?

Mr. Smith: We were turned in by a competitor. They said, "You are the one who has the charge laid against you, that is your problem."

Mr. Brandt: Just an aside, Mr. Chairman. I was thinking that I am just terribly pleased that you are not picking up passengers at Toronto airport to complicate that issue.

Mr. Smith: I have a problem between regulation and protection.

Mr. Brandt: My serious question is I wonder how widespread the whole issue of cartage licences is among municipalities in Ontario at the moment. Do you operate right across Ontario or essentially in all parts of Ontario? You did make some reference to expansion to the north and perhaps some other areas, but are there a number of municipalities that do have cartage licences now?

Mr. Smith: Principally the same ones that we had early on. We have Windsor, Hamilton, Ottawa, the municipality of Toronto, Peterborough and I believe Sudbury, but most of those in fact really are not hearings, they are more a tax. It is \$5 per plate or \$10 per plate to operate your vehicle within the city limits.

The problem you have with any kind of legislation or regulation is it gets outdated very quickly. When you try to do something on a uniform basis, you have situations in Toronto where they require that the lettering be four inches high on the side of your vehicle. You have another municipality that requires that you have the telephone number and the address of your location.

Clearly we think that really does not apply to ourselves because we do not stay wholly within the municipality. But those

are the obstacles it does create. We have not had much difficulty at all with cartage licensing per se, just up until this recent situation in the municipality.

Mr. Brandt: You have only had the one case, is that correct? The one you cite in your brief with respect to the problem in Waterloo.

Mr. Smith: That problem, plus Toronto early on in 1975. We clearly met the criteria enacted in the bylaw but yet for some reason we were denied subsequent licences. It took a year and a half's delay through the Supreme Court to get those licences back. Clearly there was that problem also.

Mr. Brandt: With your experience in operating--again going back to your brief, you operate in 48 states and a number of jurisdictions--what are they doing elsewhere that this committee might consider that seems to be working for your particular industry? Is there a better idea that we can borrow from someone else? What would you suggest in that respect?

Mr. Smith: You would really start at the bottom and if you operate clearly within a municipality of any kind, then you are subject to their regulations. If you then go beyond that, then you have to get into the next level of regulation or jurisdiction. In the US it becomes the state. It could be a local city, a county or a state-wide regulation. Then eventually when you get your interstate commerce certificates, you generally then are ahead or beyond most of all that local regulation.

It depends upon the scope of your operation. If you operate federally, you ought to be under federal regulation.

Mr. Brandt: Are you suggesting then the kind of thing that we consider here is in operation at the present time in all of or some of the US jurisdictions?

Mr. Smith: I think pretty much so. I cannot think of too many places where the municipality does not have the right to control anything that is wholly within it.

Mr. Rotenberg: For clarification then, if you operate into Michigan, Pennsylvania or wherever, you have a state licence.

Mr. Smith: Yes, you can. That is correct.

Mr. Rotenberg: You get a state licence to operate in the state. If you are operating, say, in Detroit, does Detroit require you to have a licence as well, or Pittsburgh or some other city, when you are operating wholly within the municipality?

Mr. Smith: Take New York City. If you intend to haul liquor in the confines of New York City, then you are required to have a liquor permit, but not a cartage licence so to speak.

Mr. Breithaupt: Is that a convenience licence, a fee as opposed to the necessity hearing approach?

Mr. Smith: Most local municipal licences eventually are fees. Very seldom do you have an inspector or do you see any enforcement. Basically for liquor they want a record of who is hauling liquor in the city of New York, for tax purposes and everything else, which I would suspect is to control bootlegging or whatever it might be.

Cigarettes are another item. There are very heavy state taxes on cigarettes in New York. It prevents the carriage of cigarettes in from New Jersey or someplace else without appropriate authority.

Mr. Brandt: What are the high fees in those municipalities you mentioned are licensing?

Mr. Smith: I believe Hamilton is \$15 a plate. Again, it is not the business that gets regulated per se, it is the vehicle.

Mr. Brandt: In all instances is it the vehicle?

Mr. Smith: Yes.

Interjection.

Mr. Smith: It gets to be a problem especially around peak season where you may go out and want to rent three vehicles to handle an abnormal situation. You are sometimes stuck with the problem of putting a vehicle on the street without proper licensing. You just cannot get the plate back. In Toronto right now even the public commercial vehicles have about a 10-day turnaround. If we decided tomorrow morning we needed an additional vehicle operating it would be the same problem.

In Toronto I believe the first plate now is \$250 and the balance is around \$45 or \$47. I may be off a few dollars. But in addition in Toronto now you have another situation whereby the driver of the vehicle is required to have a cartage driver's license. This is an expense, not to the company but to the driver who drives our vehicle.

Mr. Brandt: Mr. Rotenberg, will there not be a positive impact on this industry with respect to the fee structure for plates and vehicles?

Mr. Rotenberg: This is part of the taxi section which is exempt from that, the \$10-to-\$25 cost recovery section. The drivers would probably be part of that taxi exemption.

Mr. Brandt: So, in fact, they will probably remain the same, or go up.

Mr. Rotenberg: As I say, there is basically no change in the legislation from the present Municipal Act.

May I ask you, Mr. Smith, when you operate wholly within Metropolitan Toronto, or wholly within the municipality of Hamilton, do you feel it is fair that you should operate under a

different regulation than your competitors who operate fully within that municipality?

Mr. Smith: When we operate a vehicle wholly within we operate under the regulations. That is why we have cartage licences in Hamilton.

Mr. Rotenberg: I am trying to get the thrust of your presentation. Then are you objecting to having to have a municipal licence when you operate wholly within a municipality, as your competitors do?

Mr. Smith: What I am really objecting to is the overlap, which is a unique problem to us. Again, I go back and say the province awarded a licence that says we can go between any two points in Ontario. The question becomes: Does that exempt us from municipal jurisdiction?

Mr. Rotenberg: The point I am really making to you is, simply because you have a PCV licence, do you think that should give you some advantage operating totally within a municipality over your competitors who do not have a PCV licence?

Mr. Smith: I certainly do. I think the province is far more capable of regulating and governing transportation than any municipality. I think it is a system-wide setup that the province has to be concerned with. It is a network.

Mr. Rotenberg: You then think the province should really take over all local licensing as well as cartage--

Mr. Smith: It is clearly within its power. They have not chosen to do so, but the minister could at any time.

Mr. Rotenberg: Do you think that should be just one provincial licence, rather than municipal licensing for people in your business?

Mr. Smith: I would think so, yes. I would much rather have one licensing board to go to than 30 or 40. I think anybody would who is in our business. There the rules are the same, the criteria is laid out and all of your competitors are then operating in the same environment, not different environments. But I would clearly favour one licence--

Mr. Rotenberg: Do you feel then really that a person who operates wholly in London, Ontario, is the same as you are, who operates wholly within the province? It is the same business.

Mr. Smith: I cannot see how we differ. We operate within London. We will pick up packages in London for delivery to London. The major difference in the wholly-within is that might be only half of one per cent of our daily delivery volume dictating the rest of the business.

Mr. Breithaupt: So therefore you could not have a vehicle solely committed to being with the city of London and attracting that cartage licence situation. What I gather you would

favour is your having a PCV licence freeing you of any requirement to prove necessity within a municipality. Therefore, if there was an additional fee being tacked on, in effect, you would prefer that that was just an automatic payment as opposed to any requirement for the municipal hearing?

3:50 p.m.

Mr. Smith: That is correct, because when you go to the transport board it has the power to eliminate any community that makes a representation. Every licence is tailored to the application. So clearly if there was opposition to a business representations can be made and the board will say this is for the carriage of goods, excluding the city of Brampton. How many licences in Toronto have excluded the city of Brampton?

Mr. Epp: I was just going to say, Mr. Chairman, that this is an extension of the theme that we were discussing last week when we used Summers as an example for a licence provincially and they could then be licensed again locally and have additional regulations in both.

We were saying in committee that maybe if the province does license someone provincially--and I am not suggesting there was unanimous agreement, but there was certain discussion around that--then the province should extend that licensing. They should not have to get a separate licence locally.

Mr. Smith: Mr. Epp, there are a number of things of that nature that we were talking about.

Mr. Rotenberg: The PCV licence allows you to carry only between municipalities and not within a municipality.

Mr. Epp: That is another extension of that particular thing we were discussing.

Mr. Breithaupt: We have just been told that the UPS licence allows delivery and pickup from any point and therefore it also covers--

Mr. Rotenberg: No. Under the PCV Act, as I understand it, it does not regulate deliveries or pickups totally within the same municipality. Whether UPS has a PCV licence or not, when they go from one point in Toronto to another point in Toronto they do not have to have a PCV licence and no PCV regulations apply to the trips totally within a municipality.

Mr. Epp: Let me get one further clarification on that. You speak here about the region of Waterloo. Do you have a licence to deal with the region of Waterloo? You cannot, for instance, pick something up on Columbia Street in Waterloo and deliver it to King Street in the city of Waterloo, but can you pick something up in Waterloo and take it to Kitchener?

Mr. Smith: Yes. This goes right back to the beginning.

Mr. Epp: You can pick it up at one end of King Street in

Waterloo and you can take it to the other end of King Street in Kitchener, the same street but different cities.

Mr. Smith: Virtually now we can pick up and go between any two points, same street, adjacent, same municipality.

Mr. Breithaupt: That is because you also now have a region of Waterloo--

Mr. Smith: That is correct.

Mr. Epp: But you could not with your cartage licence?

Mr. Smith: Technically we could not before, because the bylaw was employed.

Mr. Epp: But you could take it from one city in the region to another city in the region?

Mr. Smith: No. That is another problem, because the PCV Act exempts a single municipality and the licensing is at the regional level.

Mr. Epp: But not in all regions?

Mr. Smith: Just that particular region, to my knowledge.

Mr. Brandt: Confusion there was caused by the former mayor.

Mr. Epp: Is that Edith MacIntosh?

Mr. Rotenberg: Metro also has a regional licence.

Mr. Epp: Thanks, Andy.

Mr. Chairman: Thank you very much, Mr. Smith. Gentlemen, if we can take a look at the time, we have two more groups that wish to appear before us today. The third group is the Canadian Mobile Sign Association, Messrs. Theriault and Kelland. There is no brief. Are those gentlemen here? Do you want to come up please. You have no written brief, is that correct? Fine, thank you.

Interjection: Can you tell us when we will finish?

Mr. Chairman: I do not know. It depends on the members and the brevity of their questions and the answers. If we muzzle Breaugh and Brandt we will be done by 4:30.

Mr. Breaugh: You are welcome to try, any day any way.

Mr. Chairman: Gentlemen, please identify yourselves.

Mr. Theriault: My name is Philip Theriault. I am the president of the Canadian Mobile Sign Association. I have with me Paul Kelland, in the middle, and we also have a gentleman, Mr. Charles Ross, who is a lawyer from London, Ontario, with us today.

Mr. Brandt: A former politician, I might add, Mr. Chairman, just so we can identify his lineage. Mr. Ross was a controller with the city of London, a well-respected politician of the wrong political party. He is a fine gentleman.

Mr. Rotenberg: Which one of the political parties?

Mr. Brandt: I won't say. I just wanted to set the record straight.

Mr. Breaugh: There is only one wrong political party. We all know that.

Interjections.

Mr. Chairman: Gentlemen, who will be your spokesman?

Mr. Theriault: I would like to speak first as president of the Canadian Mobile Sign Association, if I may.

Mr. Chairman: Yes.

Mr. Theriault: Then I would like to pass it on to Mr. Kelland and Mr. Ross for any questions.

I am here to urge you to pass Bill 11 with some modifications, if necessary. The mobile sign industry is in need of this legislation in order to survive. We would like to give you some history on the Canadian mobile sign industry, as well as pointing out to you some reasons for endorsing Bill 11.

The mobile sign industry began in the mid-1960s. These companies would manufacture and rent mobile signs to merchants throughout Canada for short periods of time. Merchants find that the mobile sign is a very significant part of their advertising strategy.

During the 1970s, municipalities decided to impose controls on our industry, so enabling legislation was sought and, in turn, municipalities were granted the right to prohibit or regulate the mobile sign industry. When the time came to pass bylaws, municipalities found very tough difficulties in writing regulations because we were mobile and very portable and they chose, in a lot of cases, to ban them. They found it was easier to deal with us in that manner.

Areas of concern that this association found seemed to be in the enforcing end of regulations. They found it very expensive to do that and this caused difficulties in structuring fair regulations. Consequently, some municipalities chose to prohibit signs completely. When this happened, the mobile sign industry formed an association, and this is when we began doing research in Canada and in the US. We also went to the municipalities to see what their problems were and found that, if licensing were available, the municipalities could deal fairly with the industry.

The Canadian mobile sign industry recognizes many problems with Bill 11, but we trust that this committee will see fit to

change areas where this bill would remove an individual's rights to make a living. We also trust that, in making changes in Bill 11, this industry's needs for licensing privileges will be put into place. Furthermore, we would like to take part in any changes that might occur that affect the operation of the mobile sign industry in Ontario.

I would like to thank the committee for allowing us to be here today, and I would like to turn this over to Mr. Kelland. If there are any questions, I am sure he would be pleased to answer them. He also has a little brief that I am sure he could read off here.

Mr. Chairman: Yes. Would you carry on, Mr. Kelland?

Mr. Kelland: Okay. Mr. Theriault's company and my own have perhaps been the longest in the business in Canada as far as mobile sign companies are concerned. Perhaps our existence would have been easier if we could have been classed as a legitimate business, but we seem to have been fighting prohibition every time we set up in a municipality, mainly because of the frustration that municipalities have not had the ability to treat one member of the industry better than another.

We find operators who get into the business do things that are totally irrational, such as putting signs on sidewalks, putting fashion signs in residential areas, and things that are against common sense. In order for the city to control it, it found with the lack of power under the Municipal Act that the easiest way was to make a direct prohibition.

It was not until last year really, in discussion with some of the municipalities, that this even came up. We just seemed to hit prohibition after prohibition. In the Toronto area alone, we have reached a prohibition in Vaughan, in Scarborough, in York, in Etobicoke and in North York. All over the place we have found, over the last number of years, our territories getting smaller.

However, if you look at other areas of industry, 90 per cent of all the companies that use us are small businessmen. They cannot afford, say, to advertise in the Star or the Sun, on TV or radio, to reach people who will come to their particular mall or their particular strip plaza to purchase. With the use of a mobile sign they are able to deal directly with people in their neighbourhood, and surveys have proved that, of these small businesses, 90 per cent of the people who buy from them come from a three-mile radius of their store or their enterprise.

The mobile sign helps to get to people who are out. I find myself, if I see something I am interested in, and I am there, I will turn in and look at it. That was the original concept of the mobile sign. It was not designed merely as a sign. It was designed as an advertising medium to complement a small business.

4 p.m.

These days we have found that we are turning down more orders a day than we can fill, basically because the signs are

illegal in certain areas. There has been, and we find now, a lack of power by the municipalities to set something up. So, as a way of taking care of bureaucratic frustration, they see a mobile sign and ask whose it is. No one knows whose it is, who the operator is, how to get control of it. If an operator is a small operator and does not apply for a permit, we find we require more people to get permits than we do to install signs. There may be one going to Markham, one going to North York, others going to various areas. How do we handle all this?

It is similar to the United Parcel Service situation, except far greater. We are smaller operators and we operate in such a vast area of Toronto. It has been found that the municipalities recognize that the signs are beneficial. Under the act as it is now they cannot treat someone working with them, in trying to control and do things in a legitimate way, with any more preference than they can somebody else who does not. There is no way of gathering merit points or working along with the city. It becomes a situation where either you cannot pass a law, or they have to prohibit.

This is why we are supporting Bill 11. The one thing we do object to is in terms of the human factor. We would like to see some form of appeal, if it should come to a situation where the human factor should come into being, some means of protection, as Mr. Theriault already mentioned.

Mr. Chairman: Right. Perhaps the parliamentary assistant has a response to that or a question.

Mr. Rotenberg: Not a response as much as a question. I am delighted to see someone coming here and saying he supports Bill 11.

Mr. Breithaupt: It does not happen too often.

Mr. Rotenberg: It does not happen too often, but it does happen.

Mr. Brandt: It is a shock to your system, no doubt.

Mr. Rotenberg: I would like to put in a word of caution. I do not think Bill 11 will do for the mobile sign industry what the industry thinks the bill might do for it.

Mr. Breough: We get one a week.

Mr. Rotenberg: Under Bill 11, under any licensing regulation, the company can be licensed, but it is our opinion that the licensing of a business does not specify the product. In other words, in your licence you cannot say there can only be four-foot signs, or six-foot signs, or that sort of thing.

You have two basic markets for your mobile signs. One is on private property, which some of the members of this committee dealt with a few weeks ago under the Planning Act, and that would be done by zoning. Whether it is a municipality discovering it can zone on private property or shopping centres, either as a general

rule or a particular rule, it can specify the size of signs and so on.

When you are on public property, such as boulevards and so on, the municipality has the power to sign agreements with anyone for easements or for having signs on public property. Neither of those two will be covered by licensing, that is, the size of product or the type of product, but licensing would give the municipalities the power to regulate your basic effort to keep out the fly-by-nights, so that they know who you are. Posting bonds and that sort of thing would be covered. I think that would be of some assistance to you. If that is what you are looking for, that type of thing would be covered.

Mr. Breithaupt: Presumably the municipality can say, as some now have, that it does not want such matters, and, therefore, will not grant licences to them at all.

Mr. Rotenberg: No. You see a municipality cannot prohibit anybody from being in business in its area. In other words, if it chooses not to license a class of business, that means the business can operate without a licence in reference to that part of it. Saying "We will not license mobile signs" does not prohibit the businesses. It just means they are not being regulated. But whether they are or are not licensed, the municipality, not through Bill 11, but through other methods, will get at the product. Where it goes and the size, type, colour, amount of light and all that sort of stuff will be done by something else, not by licensing.

Mr. Brandt: It is effectively the same thing.

Mr. MacQuarrie: If a municipality wants to it can say, for instance, that mobile signs should be two feet by two feet, and not--

Mr. Rotenberg: Not in the licensing bylaw. It can be done under zoning if it is on private property and under other regulations if it is on public property, but not under the licensing regulations.

Interjection: They would have to do that under the Municipal Act.

Mr. Rotenberg: Under the Planning Act for private property, and under several sections of the Municipal Act for public property. They can do it, but licensing does not do that for them.

Mr. MacQuarrie: Right now if they pass a licensing bylaw that for all intents and purposes is reasonable and rational, surely in setting down the regulations affecting the disposition of signs, the size of signs and the rest of it, they can pass regulations to that effect, can they not?

Mr. Rotenberg: Not under this act, no. This does not give them the power to regulate product.

Mr. Kelland: Under the right part, they can.

Mainly they could not give us licences at all before. The only way we could operate a mobile sign was to apply for a sign permit.

Mr. Rotenberg: You will not get a licence for each individual sign; you will get a licence as a business.

Mr. Kelland: That is right.

We have never been able to get a licence as a company. If we have, say, 200 units, every time we want to put a unit in we have to get a licence or a permit for it. We had to get planning permission. We had to get lot plans. There were so many things you had to get.

There could be 1,000 operators; whereas, the cities told us before they did not have the ability to licence and to get a handle on who was operating in their area. Because of all the frustration, they would virtually prohibit.

Mr. Rotenberg: From that point of view this will help you.

Mr. Kelland: --the province will say, "Okay, we will give you a licence and let you operate anywhere." What we are asking is that with this licence provision--they licensed taxis before, but there is nothing given to license mobile sign companies.

Mr. Rotenberg: They will now be allowed to license mobile sign companies, but not each individual sign.

Mr. Kelland: No, but we can have a book of rules to work with with the city to allow us to operate; to maintain our licence we can work by certain provisions. We do not mind that.

Mainly what we are trying to do is to have the books say, "Yes, mobile sign companies can operate." We do not have that as such right now. We have been fighting this the last 10, 12 or 14 years.

Because the book does not say we can operate, it is automatically assumed we cannot operate. That is what we run into, court case after court case.

Mr. MacQuarrie: What does clause 2(4)(f) mean, if they cannot make regulations with respect to size and the rest of it, "regulate, govern and inspect the premises, facilities, equipment"?

Mr. Rotenberg: But not the product. That is the equipment that you use, not the product that you sell.

Mr. MacQuarrie: "...and other personal property used or kept for hire in connection with the carrying on of the business..."

Mr. Rotenberg: We may be able to get in under--you have raised a point and that is that it is kept for hire, because the signs are rented out. I guess that would be similar to renting out a car.

Mr. Brandt: This is a unique business.

Mr. Rotenberg: It would be similar to an automobile rental company or people who rent chairs and tables. Their equipment is for hire, to be regulated. Therefore, maybe signs for hire could be regulated.

The boat livery that hires boats can be regulated. Possibly it should be under that section for hire, if you are on rentals.

Mr. MacQuarrie: This is what I thought. If I were the sign people I would not be too optimistic and falling over myself with joy and gladness at this piece of legislation.

Mr. Kelland: We probably are not in love with any piece of legislation, that is true.

Right now, of our previous territory 80 per cent is illegal and basically the main reason comes down to bureaucratic frustration as to how to handle an industry. We are totally different from signs.

Mr. MacQuarrie: Most of your signs are four by six.

Mr. Kelland: They go from three by five to eight by 12, some of them, with everything in between.

Legislation controlling sizes does not bother us; our main bother is earning enough money to pay our wages, pay our rents, look after our expenses, and stay afloat. We do not mind if we have to go into a licensing formula to prove our willingness to work within the community legitimately. Fine, we will do that.

Basically we have had freedom and no laws against us up till now, but in actual reality we have not. We have been legislated out of existence for no real reason as far as the association members go. We have to support some place that would give us a foothold to work with in the communities.

Mr. Brandt: One of the questions I was going to raise has been answered.

In effect, what has been happening in a number of municipalities is that there has been a total prohibition put on your type of business through a number of various means and measures. I have seen it happen in my own community where they just effectively, after going through zoning options as an example, with no more than one sign within 500 feet of another sign, setback requirements and all of this kind of thing--after having gone through all of that--we literally just legislated you right out of existence. I find that very difficult to take.

One of the things in Bill 11 that we are attempting to do is

to allow businesses to operate. There is an inherent right in this province for a business to be given the opportunity to function and I take strong exception to what some municipalities have done. I think they have very substantially overstepped their authority and their bounds by using the legal weapons at their disposal to arbitrarily stop the signs in some instances. In cases that I can think of there has been very little community opposition to the kind of thing you do.

I want to state the other side of it. Aesthetically, sometimes you fellows do a terrible job. You cluster signs, put them too close to the roadway and do a lot of things that I think have caused you some harm as well.

However, having said that I do not agree with this overreaction on the part of some municipalities where they have just quite arbitrarily stated that, "All signs are bad. They should all be banned and therefore we will not allow mobile signs." I think they have a very real place in our society. Particularly in commercial areas I think they look quite nice. I have heard people say that they like the look of your signs. Personally, I do not take exception to them. I think they brighten up some rather dull commercial areas, particularly in suburban strips where people expect to see that type of thing. I do not like them in residential areas and that can be controlled by zoning.

4:10 p.m.

Mr. Rotenberg: Mr. Brandt, let me interrupt you. I think both you and the delegation will be pleased to know that most of the sign regulations are now done under section 141 of the Municipal Act which gives extraordinary powers over signs, which they do not have over most other devices. The other committee which dealt with the Planning Act is recommending that section 141 be repealed and that signs on private property henceforth be controlled only under the zoning bylaw. We found that a number of municipalities were controlling signs under a zoning bylaw and a number of others under section 141 of the Municipal Act.

Section 141 of the Municipal Act will be repealed one or two years after the new Planning Act comes into effect to give the municipalities the power over signs, but that will take away a lot of the abusive power which you allege has happened by municipalities in controlling signs. It will make the business of these gentlemen much easier because if a shopping centre is zoned for mobile signs, then all these other rules and regulations cannot be imposed upon them.

Mr. Brandt: With respect, Mr. Rotenberg, what does a businessman do during the interim? There are many businesses today on the very brink of survival. When unilaterally and arbitrarily they are just simply saying, "There shall be no signs in our community," they are effectively legislating them out of business. What do they do for the next year or two years until these--

Mr. Rotenberg: Mr. Brandt, the municipalities have those sign bylaws legally under section 141 of the Municipal Act. We are

saying that in the future all sign controls on private property have to be done under the Planning Act. We are giving the municipalities an opportunity to revise their bylaws and get bylaws under the Planning Act so there will not be a hole in the middle where signs are totally out of control.

By taking away the powers in section 141, we are correcting the problem that you think should be corrected, but we have to give the municipalities a reasonable amount of time to pass a substitute bylaw for the one they have now, because many of the sign bylaws in many municipalities under section 141 are quite proper and quite legitimate. If they have to re-enact them under the Planning Act, they have to have some time to do that.

Mr. MacQuarrie: One of the things I have noticed is I think these mobile signs are most frequently seen, in the municipality with which I am most familiar, when new businesses are opening up. When businesses open you get mobile signs displayed or when a business is trying hard to stay in business, advertising specials and so on, but usually they set a time limit by regulation, which says they cannot have the sign there for any more than a month and a half or whatever it might be. Is that the type of thing you people could live with?

Mr. Kelland: Yes, that could be lived with within a municipality. That is why I say we are--

Mr. MacQuarrie: Because after a while they get to be a nuisance.

Mr. Theriault: Oh yes, they become a tree in other words. They are no use to the merchant who is renting them.

I have been working with Kitchener and Cambridge most recently in dealing with the new bylaw in that area, and they are suggesting four months per year. We can live with that. We find that most merchants have four sales per year, or the merchants will group together and have a sidewalk sale or something like this. We can live with that, and we endorse that type of regulation.

Mr. Kelland: Under the Department of Transport rules we are allowed up to four months a year, either all at one time or one month at a time, however the customer wants to use it. That's fine. We have found that the sign will lose its ability to identify the same way because it becomes part of the scenery. It was meant to be portable, in and out. That's what gave it the special ring. If people saw it, they knew something special was happening.

Mr. Brandt: As an extension of that question of the survival of your business and the startup of a new business that Mr. MacQuarrie was talking about, you made a point earlier which I think is quite valid.

There are marginal businesses, particularly in the retail sector in this province, that can't afford the traditional forms of advertising. They are just prohibitive, newspaper, radio or

whatever else it might be. I have some idea of the cost of renting your portable signs from having had some of the people who were caught in the problem in my area call me to indicate their concern with what Sarnia township, which happened to be the municipality, had done. I don't know whether you work in that area or not.

Quite frankly, there are businesses that can afford no other form of advertising except the type of advertising that is available through your type of portable sign. I think it does have a very legitimate, responsible, proper role in society as a commercial retail endeavour. I think it is inappropriate--I want to go on record saying that--for a total prohibition of your kind of business. I can see some controls in terms of some of the things I mentioned before under zoning, setbacks, the distances between signs to make sure they're not clustered too much. In some instances, they can become traffic hazards, if they are not properly placed, and so forth.

Having said that, I think some municipalities have gone well beyond the bounds of responsibility in terms of your business and I take exception to it.

Mr. Rotenberg: That is one reason--

Mr. Brandt: I agree with what the ministry has done and with the direction we are going. The only thing is that we are talking perhaps two years from now in order to impact on some of the municipalities that have kicked these people out.

Philosophically and in every other respect, I find it morally wrong for a province that is attempting to foster, promote and build business to allow that kind of thing to happen. I don't know what can be done to expedite some corrective action. It just does concern me. If I were a part owner of this business, I think I would be very annoyed.

Mr. Rotenberg: Be happy the government is moving in the right direction.

Mr. Brandt: I am not unhappy. I just said the government is moving in the right direction. It is a question of when and how quickly, in order to help, not only your business, but I am thinking about the guy who needs your business to survive.

Mr. Kelland: As an example, we have been working lately with North York. We have been prohibited there for about six years. We have a working relationship. We call and see if it is okay to put a sign in a certain area for two weeks, a month, and we've been getting some success with that.

Mississauga was going to prohibit the signs last year and we sat down with them. I call bylaw enforcement myself every week or two weeks to find out if they have any problems and we could take care of them.

A lot of municipalities like Mississauga realize that Bill 11 can give them the avenue to issue a licence and if someone doesn't want to go along with regional provisions, they can

withdraw that licence. But they can give a licence to the ones who work with them and we can work hand in hand. They are now waiting to see what is happening with Bill 11, and they are thinking that they can work with us on Bill 11. This fall we expect to draft a bylaw to come into effect when Bill 11 becomes legal. Hopefully, it will come through.

Mr. Brandt: Could we get from the ministry, Mr. Rotenberg, a very clear definition of what this sign is, whether it is equipment or a product or if it falls under the category that Mr. MacQuarrie was talking about earlier? I think that would be helpful to us. I don't know that we necessarily need it now but we should get some specific legal ruling or clarification in that clause.

Mr. Rotenberg: It was our intention that sort of thing, the product sign, could not be regulated. The purpose of regulating things for hire was done so, for example, if one went to a park to hire a boat, the boat would be safe. The regulation or specification about things for hire was from the point of view of health and safety, not for general products.

We may narrow down that section so that, whereas a municipality can license these people, they cannot specify under licensing the size of the sign, the colours and that sort of thing. That would be done by zoning.

4:20 p.m.

Mr. Ross: Mr. Chairman, the problem is that municipalities feel threatened when they do not know who they are dealing with, and Bill 11 will cure that, because they will be dealing with licensed people.

Mr. Rotenberg: From that point of view I think Bill 11 is going to be a big advantage to municipalities. I am very pleased that you and the municipalities have a positive attitude towards this part of what Bill 11 will do--

Mr. Ross: For the last 20 months we have been working on a bylaw in London to regulate the industry, and it gets so complicated trying to draft planning-type legislation to control--and of course we have our problems in London with our sign bylaw anyway.

But if the administration that had to run the matters could assure the politicians of whom they were dealing because of a licence provision, like the taxi sort of thing, then a lot of the problems would disappear. So we would urge you to give us an opportunity to get licensed and prove who we are, prove we are responsible people and not the fly-by-night operators who were in the business a few years back. That is really what we are here urging you to do.

Mr. Rotenberg: Mr. Chairman, just a comment. This is an interesting difference from what we had a few moments ago with the man from the Canadian Federation of Independent Business, who did not want any licensing or regulations. He said businessmen did not

want it, and here is a group of businessmen who certainly do want it. So there is no unanimity out there.

Mr. Brandt: No. They want to be regulated so at least they are recognized and can survive. I think there is a--

Interjection.

Mr. Brandt: Yes.

Mr. Kelland: There is a little (inaudible) legislation, but that does not work for us. We have to have that, as Mr. Ross mentioned, when they know who they are dealing with. If they are dealing with recognized, licensed people, then they can sit down and work with us; but when they are dealing with us and we sit down and are dealing with them, and all of a sudden another one pops out of the woodwork and another one and we do not know who this is, there is no control on it.

Mr. Ross: The other thing I would like to mention, Mr. Chairman, is that I really believe there has to be some way in which someone who is turned down on a licence application can have a quick and easy remedy where he can appeal. I think that would apply to any licensing municipally, because many municipalities do not have a very high level of sophistication when they are exercising those powers and for the small businessman faced with a major court expenditure or what have you it can be quite expensive.

Municipalities have a very quick and easy remedy. If a fine is going to be imposed, they go through the provincial court, criminal division. If there were some quick and easy remedy, not just for mobile sign operators but for anybody who is turned down, now is the time to do it.

When your municipal bodies are being given some licensing powers that, I would submit, would be a time for your committee to recommend some quick and easy way to appeal from a purely municipal decision, perhaps something like an Ontario Municipal Board situation. Of course, that is six to eight weeks now, but something like that: an administrative tribunal that is probably already in existence and already familiar with municipal applications. And someone would have that right.

It might be okay in Toronto, where there are lots of media and you are not going to be abused, but if you are giving municipalities the powers we would like to see them have to license and if you are insisting that they have public hearings and what have you, I would appreciate the thought that there would be quick and easy appeal.

Mr. Gillies: Mr. Chairman, I will not take much time, because I am not a regular member of this committee, but I can never let an opportunity go by when the subject of the sign or outdoor advertising industry comes up, because I was in that industry for three years or so before I was elected. I am glad the parliamentary assistant is back, because we have discussed this before.

I really think there are very few industries in our province that are so hopelessly overregulated and so unfairly dealt with as this industry. I am not speaking to Bill 11, but, as the parliamentary assistant is aware, under the Planning Act signs, billboard structures and so on are dealt with in a way completely different from the way in which any other type of real property or any other type of structure, whether on public property or overhanging public property, is dealt with.

The situation in this province today is that one can erect a sign structure on private property, one can be duly approved and permitted by the municipality to do so, and yet retroactively be obliged--

Mr. Rotenberg: That is what I said a few minutes ago. That section of the Municipal Act is being repealed. The 141 is being--

Mr. Gillies: Oh, that's great. We are making progress.

Mr. Rotenberg: It is being repealed, and we did that when we did the Planning Act.

Mr. Epp: You should have been here.

Mr. Gillies: I was there. I made a presentation to the committee.

Mr. Rotenberg: Section 210(141) is being repealed, and signs on private property we have to regulate under the Planning Act.

Mr. Gillies: That's great. I think that is a step in the right direction.

But I just wanted to say something, because I can well appreciate how frustrated you get, since I had to deal with municipal licensing and all the other maze of regulations in that area. And while certainly I do not think any of us want to see the unsightly maze of signs that exists in some parts of the United States, the industry in Canada has in my experience been very, very responsible in regulating itself. I do not think we are faced with that, and I am just very glad that the ministry is moving in that direction and that some degree of fairness will be accorded that particular industry.

Mr. Kelland: Mr. Bennett made mention of aesthetics in the industry. I will make a quotation. In 1973 we were getting for a certain size of sign about \$400 a month; for the same size of sign we are now getting about \$275 a month, basically because of a cutdown in territory and cutthroat competition and just trying to keep this stuff active to keep alive.

Now, when you get that kind of situation you do not get a lot of maintenance, because we cannot fit it into our budget. So with good operating conditions we can become healthier and you will find that the aesthetics will improve greatly.

Mr. Gillies: In that same vein, Mr. Chairman, it just follows on what this gentleman said so neatly: It is not even a financial matter, but in the billboard industry in certain municipalities the municipality will say to the company: "Your structures in this municipality are falling behind; they are not being maintained properly. What are you going to do about it?"

The company says, "Well, if you check back with your building inspection department you will find that we are not allowed to tear down and rebuild the structures and modernize them, because you will not give us a permit to do so."

It is a vicious circle: The structures fall into disrepair; the municipality will not let them do anything about it, and then eventually the municipality says: "These things are a disgrace. We want them all removed from our municipality."

Mr. Rotenberg: Where were you when we dealt with the Planning Act in all this?

Mr. Gillies: I was there, Mr. Chairman, and I spoke to you at the time--

Mr. Kelland: We have some in now that are under the five-year provision of the Municipal Act. If we were to take them out, we would not be able to get them back in. So they had to stay there as long as we could try to get the rental from them.

Mr. Breaugh: I have just one question. Basically I have no problem with any of the points you have made, either here today or in previous submissions. But I wanted to ask what makes you think a municipality that up until this time has said it does not want your business in its town is now going to take a piece of permissive legislation that does not require it to license you or regulate you but only allows it to do so if it wants? What makes you think they are about to do that?

Mr. Kelland: They are getting pressure from the voters, the small business people who like the signs, but they are caught in a position where they cannot license legitimate people because there is not that provision yet. And how do they keep the other type of individual who would get into the business out of the business if they have a laissez-faire attitude? So they were forced in some cases to pass prohibition just to keep control. So if they can have control and allow the business to operate, they will, of a voluntary nature, surely.

Mr. Breaugh: So you believe, then, that even though a municipality might have kind of waged war against your industry for the last seven or eight years, the ability to license and to regulate will turn that municipality around into one that at least acknowledges that you are a legitimate business.

Mr. Ross: I think the way to do it would be, for instance, while London is drafting its portable sign bylaw and you have licensing passed through Bill 11, to include that provision in its own bylaw. Then you have an opportunity where there is a new situation.

They want to have portable signs in London, but they want them controlled; they do not want to be threatened. They want the people who are doing it to be bondable, insurable, responsible, to have 24-hour contact to move a sign if it is in the way or if it has been abused.

Then you take this example and go one on one to the municipalities across the province that have had bad experiences and prohibit them--and the list is very long--and you say, "Look, here is a draft bylaw." You go to the administration first and say: "Here it is. It is working in London. Contact the following people who have to administer it in London." Let them have an opportunity to do that.

Then you go back and see their land use committee, or whichever committee they want, and you make that presentation. Then you go through their council and you have to go one at a time. But as you are successful you will have more and more draft bylaws that are working, and I think you can turn it around.

4:30 p.m.

Mr. Chairman: Thank you, gentlemen, for appearing before us.

The time is pressing on. We have Mr. Charles B. Cohen from Stewart Iron and Metal Co. We have a brief in front of us, exhibit 26. Gentlemen, thank you for your patience. It has been a long afternoon for everyone, both scheduled and semi-scheduled people.

Mr. Cohen: Mr. Chairman, I was told to be here at 2 p.m. sharp, so I complied.

Mr. Chairman: But I understand that you did understand you were fourth on the list.

Mr. Cohen: That is quite correct.

I intend to be very brief, because my partner, Mr. Atlin, was here yesterday and presented a brief on behalf of the adult entertainment business. In some respects my submissions overlap his. We studied the matter together.

My representation is on behalf of Stewart Iron and Metal Co. as one party. That is a scrap business which operates in a legal nonconforming use and has for many years. The other type of business that I also appear for is a company called A. Merkur and Sons Ltd., which is a real estate company and owns a lot of commercial real estate on main streets in Toronto, and leases to businesses which operate.

So you can see the interest in that business, because if people cannot get licences they cannot occupy his premises and he cannot lease them. So he has, if not a direct interest, it is an interest in terms of keeping his gross rental up. So the licensing bylaws affect him.

By way of introduction, I agree philosophically with the

speakers who say that deregulation is the movement, not more regulation. I understand that you cannot live in a world as complex as it is today without any regulation at all; but on the other hand, I submit to this committee for its consideration that the movement in the United States and Canada is to lessen regulation and allow more freedom among business.

That has to be balanced, of course, with the need of municipalities to govern and to have some power over total freedom of operation. I understand that. But balancing that, especially when you get to the situation of legal nonconforming uses where the use very often is wished to be squeezed out, is you have ratepayer pressure on councils elected for two years and minority situations often being the ones which lawyers are called upon to protect.

The scrap industry is one of them. I do not think it is out of the way to say that no one wants to live next door to a scrap business, albeit you built your house after the business was established.

There is another company for which I act, but I could not get hold of the president because he is on holiday, so I would like not to name him. He did not give me a specific brief, but it is an interesting example of a rubber plant which moved into an area which was properly zoned, and now the zoning has been totally changed and it is residential all around and they are building residences, and the city wants him moved out.

Mr. Epp: He was legal nonconforming.

Mr. Cohen: He has just been declared, as of about four months ago, legal nonconforming. He was legal. The business has been there for five years. It is now a legal nonconforming use. It is a business that is not compatible with residential. It is at the southeast end of Toronto in the new residential area.

You can see that particular business is not required to be licensed at present, but the city has a terrible conflict with that particular industry and you can see how the licensing provision, as broad as it is in this bill, could be used "in the public good" to very drastically affect the rights of that individual.

Mr. Epp: I hate to interrupt you, but we were discussing licensing last week in the context of some municipality which may like an industry or might not. The examples of General Motors and Chrysler and so forth were used, and the government indicated at that time, of course, that it was not their intention to permit municipalities to get involved in this in any way.

I presume, based on that commitment, that the definition will be changed so they would not be able to just go right against it--

Mr. Cohen: I understand that. Mr. Atlin informed me of that, and I have spoken to members of the committee and they have told me that.

The thrust of my argument is really on three points: appeal, the business of contravention and the idea of examinations. Dealing first with the right of appeal, I very much adopt that, as have previous people who have appeared before you: witnesses, especially a lawyer, and again people who represent those usually acting against authority. We view as retrograde any movement which takes away rights of appeal.

The right of appeal in the previous statute was subsection 110(11) of the Municipal Act, which said that notwithstanding what subsection 6 said, there is a right to the Divisional Court when it is from the board of police commissioners granting a licence. In many of the small municipalities, that is who the licensee is.

Mr. Rotenberg: Not any more. In the new act, the police commission is out of the licensing business on all counts.

Mr. Cohen: Good, but I would suggest to the committee that the movement is in the wrong direction. Rather than taking away what is a narrow right of appeal, I would suggest, as the previous speaker did, that there in all cases be a right of appeal, to the Divisional Court or to the Ontario Municipal Board or to a special tribunal.

The interests before a tribunal often are very passionate, very emotional, and if a particular group can put together 200 or 300 ratepayers in a room, and there is one owner of a business that has been there a long time, one can get very great political pressure which counterbalances judgement in terms of rights.

Therefore, in our submission the movement is in the wrong direction. Rather than taking away appeals, we suggest that it should be put in. That is really a straight political question. As a lawyer, and a person who is often in the position of representing those in the minority position--that is when they hire lawyers; the majority very often does not need it--we would like to see the right of appeal.

We are not saying that politicians are not fair and proper gentlemen, but they are human. The process, with great respect, would gain much more credibility if there was a right of appeal, which would not be resorted to at all times. On the right of appeal, I suggest to you the movement is in the wrong direction.

Mr. MacQuarrie: It has been suggested by the previous delegation and by others that an administrative tribunal, either one of the existing tribunals or one to be established, would be the best means of processing appeals.

Mr. Cohen: My own feeling is that the administrative tribunal is probably better because it is cheaper. Unfortunately, I have to confess that the litigation process has become expensive. If appeal is the goal, the most economical way would be, in my submission, the most politically appropriate. I would like not to have given that answer but realistically I have to.

Mr. Epp: We just changed the procedures for property assessment from the review court to review board.

Mr. MacQuarrie: Or from the county judge to the Ontario Municipal Board.

Mr. Epp: Yes, and if there were an appeal procedure, I would think there would only be one step above where we are at now in the final--

Mr. Cohen: That's right. Whereas in the Assessment Act there is an intermediate stage to the county judge before you go to the Ontario Municipal Board.

Mr. MacQuarrie: Yes, but they have taken the county judges out now.

Mr. Epp: That has gone out. They have not taken it out completely. They have only taken it out where there is a question of fact involved. Where there is a question of law involved, you still go to the county or Divisional Court.

Mr. MacQuarrie: County or Divisional Court.

Mr. Cohen: It used to be they would go directly to the Ontario Municipal Board. The Ontario Municipal Board is getting pretty loaded.

Mr. MacQuarrie: We are going to have to create a new panel just for assessment matters.

Mr. Cohen: If there is a new panel required, in my submission, that should not be anathema. I am reasonably experienced with the Ontario Municipal Board. I must say I am impressed with their fairness and their willingness to co-operate with anyone who wishes to expedite matters. You do not have to have any political pull or anything to call up the secretary and say you have an urgent matter, can they find a slot somewhere for it. They are very co-operative. That has been my experience, very much so.

Maybe something will be done by some of the law societies in order to cut down the costs of litigation, but an appeal to the Divisional Court is an expensive process.

The second point I wish to make is that word--it was dealt with and I have spoken to members of the committee about it--we are concerned about the word "contravention" in that section where the legal nonconforming use is.

4:40 p.m.

Mr. Rotenberg: That came up before. We are committed to clarify this section so that licensing cannot be refused for legal nonconforming use.

Mr. Cohen: Right. There also appears on the surface to be a conflict between paragraph 2(4)(h)(4) and paragraph 2(4)(h)(5) in the granting of the licence. I read it carefully as I was waiting for my turn to address the committee and I think I

now understand it. Paragraph 4 is that they may refuse to grant it where it contravenes section 39, which will be section 34, of the Planning Act and those other sections, and the other section, paragraph 5, is any bylaw, I guess, passed under any authority. That is the way I read it.

Interjection.

Mr. Cohen: At first I could not understand it. I thought there was a conflict and we were going to address that. If that is what it means, then I suspect that--

Mr. Rotenberg: If two lawyers agree, far be it for me to get in the middle.

Mr. Cohen: The third point I have to make is the issue of examinations under the qualification section. Having regard to the definition of what a business is, theoretically I could be required by municipal council to pass an examination to pass this law.

Mr. Rotenberg: You have done that once already.

Mr. Cohen: But I could be required again. If they pass the bylaw and say all lawyers have to take out a yearly licence, they could theoretically say that I have to go to them and pass an examination because I am a--

Mr. Rotenberg: For you it would not because that would be in contravention of the provincial statute which gives that examination right exclusively to the Law Society of Upper Canada. So in that case, that would not be--for a plumber, it might be.

Mr. Cohen: I was worried there for a while.

Mr. Rotenberg: You might not pass.

Mr. MacQuarrie: No, but the examination would be given by the (inaudible).

Mr. Cohen: Then I would be very worried.

However, on the business of the master tradesmen, there is no doubt that for the master tradesman there is a specific section putting him outside, he having qualified under another statute. I raise the question of who is to qualify him. Who is to examine him? Is this a method of really controlling numbers and would the temptation lie outside, say, a small municipality where there are some local people who nicely have the trade tied up?

There are five or six people and some large province-wide business wanting to open up. Could they use that in controlling numbers? And would you ever know? With great respect, that whole idea of examinations on the master tradesmen, I suggest to you, is a very bad one. I do not know if it has been said before, but I read it with the lights flashing.

Mr. Rotenberg: May I put this question to you because it is a question we are wrestling with? Suppose you had a master tradesman who qualifies from the point of view that he gets a certificate which comes through another ministry of this government and he passes that qualification in whatever year, but five or 10 or 15 to 20 years down the road, he may no longer be qualified for whatever reason. He may have given up and come back; he may have lost touch.

Unlike the law society, which has the power to review a lawyer's qualification, rightly or wrongly the Minister of Colleges and Universities does not. Once they have issued a certificate, like a certificate of education, they do not have any method of going back and re-examining. The purpose of this legislation is where, by complaint or by whatever, the master tradesman is no longer doing his job properly, should the municipality have some way of ascertaining whether that man still qualifies under the provincial regulations? There is no provincial regulation which will allow the municipality to have it checked.

Mr. Cohen: With great respect, I can understand the problem, but I think you are addressing it in the wrong place. Address it in the other legislation, because that is where he qualified and that is where he should seek to continue to be qualified. But if you put the power in municipal councils, municipal councils have not been shy to fudge over motives, and that is my concern.

Mr. Rotenberg: Should the municipal council have some way, maybe not setting the exam itself, of ascertaining that person or master tradesman still qualifies to be a master tradesman?

Mr. Cohen: I can think of, on complaint, that he be required to requalify under his original qualifying statute. Send it back to the people who qualified him and say, "Look, go back and get yourself qualified because we have had complaints and we are worried." I do not want a plumber coming in and wrecking my house. I quite agree.

Mr. Rotenberg: You would have no objection to requalification, providing it says standard qualification, it cannot be used to be discriminatory.

Mr. Cohen: That is right.

Mr. Rotenberg: That is our intention as well and I think we have already committed ourselves to reviewing that section, because our intention was the same as that. I think the way the bylaw is written you are correct; it possibly could be abused by a municipality.

Mr. Cohen: Those are my submissions.

Mr. Chairman: Might I point out one thing in the same manner? I do not know of any machinery whereby solicitors get requalified and, heaven forbid, there would be many who would fail if they were to take a bar admission exam over again.

Interjection.

Mr. Chairman: Yes. Perhaps as the parliamentary assistant was saying to local municipalities, send them back to their original licensing board or body; there may be no requalification process in place.

Mr. Breaugh: Could I just give my opinion on a couple of points Mr. Cohen has raised. Let us take them in reverse order. The last one I think is an extremely valid point, where clearly the drafting of the legislation does not reflect the intention of the minister. By any logic, one would search for some kind of province-wide standard for trades or whatever. If that is the case, then surely that is where the review ought to take place, not under the auspices of the municipality under some licensing process.

Of the three points Mr. Cohen raised, the ministry has already kind of yielded on two, saying that was not its intention and it is going to redraft them, but I have not heard the ministry yield on one, and that is the appeal process. I would like to ask the parliamentary assistant about that, since we have had a number of briefs from a wide variety of groups now, saying that the appeal process as it is outlined in Bill 11 is not reasonable or fair, and I have not heard you say yet, at least to my satisfaction, that you are going to take another look at that one. I am giving you the chance to correct that right now.

Mr. Rotenberg: Mr. Chairman, we, of course, will take another look at everything that has been raised before the committee, but I do not put that in the same category as the legal nonconforming uses where we committed ourselves to correct what seems to be a deficiency in wording. The appeal process now in licensing is only an appeal from a decision of a board of commission of police, not an appeal from the council.

Mr. Breaugh: I understand that.

Mr. Rotenberg: The process we have put into the legislation is that council makes a decision and there is an appeal. That could be a political decision, either by an administrator or by a council. There is an appeal to some committee which may be somewhat the same guise, as you put it, but operating under the Statutory Powers Procedure Act. I think a case can be made, although I am not saying this would be our policy, for the fact that the legislation is such that the council cannot be discriminatory.

If a council in refusing or suspending a licence has acted beyond its powers or beyond the intention of the act, then an appeal will rise to the Divisional Court. Really, what is being asked for is where a council refuses a licence on the grounds that a person is not qualified, or on the grounds that because of his character or because of a police report he should not be given a licence, and they have acted totally within their jurisdiction and properly. Then there is a request for an appeal from that decision

of council and the committee acting under the Statutory Powers Procedure Act, an appeal to something such as an appeal from a zoning bylaw through the Ontario Municipal Board. We are going to look at that, but I am not in the position now to say that I am sympathetic to that point of view. I am not saying I will not.

Mr. Breaugh: The difficulty that I have is that a wide variety of groups, Mr. Cohen included, have now been before the committee pointing out to you that that particular provision in Bill 11 is going to cause a lot of problems and is going to be unfair. I would say in the normal course of business that the council can review any decision of anybody's municipal council. I am okay by that; that is no problem.

The difficulty is that a large number of people have said there is a practical problem involved in getting a fair review by the same council. I do not care what your proposals are, I think you now have to address yourself to that particular problem. It is pretty clear that this bill has some unfairness in it and some mechanism is going to have to be found to address that. I am still not hearing you say the words I want you to say.

Mr. Rotenberg: Well, I am not going to say them today, Mr. Breaugh.

Mr. Breaugh: How about tomorrow? Could we make an appointment?

Mr. Rotenberg: We may say them to you in October. I will point out to you there are so many other powers that municipal councils have where they make a political decision, where they do not make a decision under the Statutory Powers Procedure Act as they must in this situation, where there is no appeal from a decision of a municipal council. Now you and I and Mr. Epp and almost everyone in this room--I think all of us--have served on municipal councils and there has been a lot of talk about the apparent mistrust or distrust of municipal councils or the feeling of some in saying municipal councils really are not going to make a proper decision.

I think many of us who were former municipal councillors, including yourself, have more faith in municipal councils being able to make a fair decision than some of the deputations before us. What is really being asked for is a procedure from a decision of council to have some appeal mechanism within the council which is more than most decisions. People are saying, "Well, we cannot trust the council to make a fair decision. Therefore, there must be an appeal, not on law, but an appeal on facts and an appeal on what could be considered to be a political or administrative decision."

There is a body of opinion which I have some sympathy for which says that municipal council out there is responsible. They got elected and they have certain serious constrictions. They feel why should we appeal this decision of municipal council when so many other decisions of municipal council cannot be appealed? Why do we trust municipal councils in all these other areas when we do not trust them to properly issue a licence? That is the question we have to ask ourselves before we come to a decision.

Mr. Cohen: Mr. Chairman, could I just respond to that? The difficulty I have with that as a lawyer is that in any decision there is usually a triangle. The triangle is made up of two opposing parties and an independent tribunal or trier of fact and law at the top that is objective and unconnected with the parties.

The difficulty with the issue we are dealing with is, as viewed by someone who would represent (inaudible) council, the triangle shrinks to a line in which the other side becomes both the opponent and the judge and you lose the triangularity of it and you are into a straight line.

I do not feel comfortable with that and that is what I am talking about.

Mr. Rotenberg: With respect, Mr. Cohen, if you want an easement in front of your property, if you want to have a parking space in the city of Toronto, or if you want an overhanging sign, all sorts of things where municipalities have power, you go to the municipal council, and if they turn you down, there is no appeal, unless they violated the law.

Why should this be different from so many other things municipal councils can do on their own where you do not have the triangle, you simply have a person applying to a council for a particular right to do something?

Mr. Cohen: With great respect, I think the criterion of judgement is where very basic rights are affected, and if it is zoning, my property rights are affected, and you are taking money out of my pocket if you are going to downzone me. So I get a right to go to the Ontario Municipal Board.

I think the criterion of distinguishing between whether you get a right of appeal is, are they affecting your basic rights or your pocketbook? As we know, there is no Bill of Rights in Ontario regarding property. Therefore, in my submission, you should be very careful with this.

What could be more sacred, in effect, than the right to carry on a man's business? That is how he earns his daily bread. If we are going to look for a criterion of distinguishing whether you get an appeal, look for basic rights and right of property because in most acts, in the Municipal Act and the Planning Act, there are rights of appeal.

It gets to be very difficult because where do you draw the line? When you get to the knife edge, where it goes I cannot say. That is a real political decision.

Mr. Rotenberg: To follow your argument to a logical conclusion, a municipality can pass certain regulations under their building bylaw, their standard of housing bylaw, which cannot be appealed and you are stuck with it.

Mr. Cohen: That is right, but you can still put up the building. You may have to put a few more nuts and bolts in it, but if you are going to take away the right to put up the building entirely, I can get to the municipal board.

Mr. Breaugh: He remains unconvinced, but it is just a matter of time.

Mr. MacQuarrie: It is true that there is a right of appeal against licensing decisions by council under the Statutory Power Procedures Act. This is a fairly involved process, Divisional Court and the rest, taking some of the old prerogative writs, but I think myself that there should be some simpler appeal process.

Mr. Rotenberg: Mr. MacQuarrie, as a lawyer, along with Mr. Cohen, if the law society in its wisdom takes your licence to practise away, you do not have an appeal to anybody, I understand.

Mr. Chairman: There is a discipline committee and then to the benchers.

Mr. Rotenberg: That is all internal in the law society, but you cannot appeal from the law society's final decision to the courts or to the OMB or to the cabinet or anything like that.

Mr. MacQuarrie: I can recall one case that was before the courts for quite some time.

Mr. Cohen: There is one that went to the Supreme Court of Canada. When I was going through law school, one elderly gentleman went all the way to the Supreme Court of Canada.

Mr. Rotenberg: You get a proper judicial review, which you can on licences too. You can go to court for judicial review under the licensing act too, so it is not all black and white. I am indicating it is not a simple decision, as Mr. Breaugh makes it out. When you are sitting over there, it is pretty easy to make simple decisions.

Mr. Cohen: Or responsible. It is much more difficult.

Mr. Breaugh: I am a simple man.

Interjection: Don't put that to a vote.

Mr. MacQuarrie: I will concede it is not simple, but I think it is well worth looking at.

Mr. Rotenberg: We are going to look at it.

Mr. Chairman: Thank you for appearing before us, Mr. Cohen. Gentlemen, do not move away too quickly. You will notice the schedule in front of us for tomorrow. The clerk has simply put five groups appearing before us tomorrow morning starting at nine o'clock. You might put down your times. Those first three are nine, 9:30 and 9:40. The fourth one is at 10. In no way should it be interpreted that those groups each have one fifth of the time.

Those last two groups have been on from the beginning and, for example, the second man was here earlier today and he is scheduled for 10 minutes only. It is not fair for somebody to come along late or to want a second kick at the cat and to have equivalent time with AMO, for example.

Interjection.

Mr. Chairman: I think you are on the wrong day.

Mr. Rotenberg: No. The city of Windsor people were here last week and they are here at nine o'clock. Are they coming back again?

Mr. Chairman: The city of Windsor people are here on an entirely different topic. Last week they were here addressing themselves to pinballs.

Mr. Rotenberg: What happened to the Mississauga group? When is it coming in?

Mr. Chairman: Mississauga has yet to get in touch with us and we have another group we will not know about until about 11:30 tomorrow. Tomorrow may be pretty jumpy, so do please be here at nine o'clock. Let us move those first three along quickly.

Mr. MacQuarrie: We might have to set an evening.

Mr. Chairman: It may get to that.

Mr. Breaugh: These are all very arbitrary decisions which I take it the chair is making at its own discretion, and I am prepared to live with them. But I really have to say that this committee has not exactly killed itself with public hearings. It has not been the committee's fault, but I want to say out front that I think these people have a right to be heard and the committee has an obligation to hear them. If it means we sit tomorrow night, we sit tomorrow night and if it means we sit Friday, we sit Friday. I am not prepared to say that you start out by laying on a lot of unnecessary hearings, but I want to make sure that people who have got something they want to say to the committee at least get a chance to say it.

Mr. Chairman: We are doing our utmost to ensure that they get that right. However, I go back to the same thing. I do not believe that one tavern owner who was here this morning as part of a delegation, who wants to come back and make a point or two or whatever on his own, should be afforded the same length of time as the Association of Municipalities of Ontario that represents millions of people and which has been scheduled for two weeks.

Mr. Breaugh: I am not going to argue with you, but I just want to make this point. The purpose of this exercise is to hold public hearings. In my view, one citizen has every bit as much right to appear before this committee as the world's most powerful, largest organization.

Mr. Chairman: Certainly.

Mr. Breaugh: If we had been in session for eight weeks, 10 hours a day, I might be taking a slightly different point of view. I am prepared to live with the way the chair has set it up. It seems to me that is quite a reasonable way to try it on for size, but I don't think there is any need to preclude anybody from being heard by the committee, to rush it or anything like that. I think we have two full days when the House has said we can sit to hear this bill. If we have to, we can do that.

Mr. Chairman: May I clarify that? There is no dispute with anybody. Everyone is being heard or scheduled in who wishes to be. On the other hand, I do believe there is a duty on the chair, when we do have four or five groups, to try to hurry them along so that the people at the end of the list get something like an equivalent hearing to the people at the beginning. The tendency is for the first people to get an hour each while the people near the end are lucky to get a half hour each. I do believe there is some duty on the chair to be a little arbitrary with the time and push people on.

Mr. Epp: We are being academic because I think all of us are thinking more or less along the same lines. If we have to sit tomorrow night, we have to sit tomorrow night. I don't see that as necessary at this point, but I am sure we can make that decision tomorrow.

Mr. Chairman: Tomorrow noon, if the committee wishes. We must understand there are two more in the woods that may come along and we may have to push our own times around to accommodate them.

Mr. Epp: Put them on tomorrow night. I don't care.

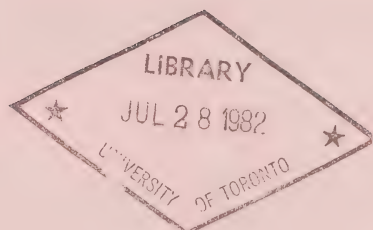
Mr. Brandt: The history of this committee is it has been totally co-operative with the chair in every respect and I know that--

Mr. Breaugh: That is exactly where we agree.

Mr. Brandt: That's right, yes.

Mr. Chairman: We are adjourned until nine o'clock tomorrow morning. We are doing our utmost to have Mr. Mitchell know that.

The committee adjourned at 4:59 p.m.



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

MUNICIPAL LICENSING ACT

THURSDAY, JULY 22, 1982

Morning sitting

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
VICE-CHAIRMAN: MacQuarrie, R. W. (Carleton East PC)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Eves, E. L. (Parry Sound PC)
McLean, A. K. (Simcoe East PC)
Mitchell, R. C. (Carleton PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)

Substitution:

MacDonald, D. C. (York South NDP) for Mr. Swart

Also taking part:

Cassidy, M. (Ottawa Centre NDP)
Rotenberg, D., Parliamentary Assistant to the Minister of
Municipal Affairs and Housing (Wilson Heights PC)

Clerk: Arnott, D.

Witnesses:

Adamac, J. B., City Clerk, City of Windsor
Koumoudouros, T., Tavern Owner, House of Lancaster

From the Association of Municipalities of Ontario:

Catterall, M., Vice-President; Alderman, City of Ottawa
Dunbar, M., Executive Director
Onley, C. E., Legal Counsel; City Solicitor, City of North York

From the City of Ottawa:

Dronshek, E., Assistant City Solicitor
Mahony, J. B. P., General Manager, Licensing, Markets, Parking,
Department of Physical Environment

From the Kitchener Downtown Improvement Association:

Goudie, S. R., Member; President and General Manager, Goudies
Department Store
Park, W., President

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Thursday, July 22, 1982

The committee met at 9:09 a.m. in room 151.

MUNICIPAL LICENSING ACT
(continued)

Resuming consideration of Bill 11, An Act to provide for the Licensing of Businesses by Municipalities.

Mr. Chairman: Seeing a quorum in place, I will call the meeting to order. I don't have my glasses on, Mr. Breaugh. Am I making any errors?

Mr. Breaugh: It is 9:15. Your nine o'clock sharp meeting did not work too well. I am going to remind you of this.

Mr. Chairman: Besides that comment, are you suggesting anything?

Mr. Breaugh: No.

Mr. Chairman: Thank you.

Mr. Breaugh: I cannot suggest anything because the Hansard tape is running and you will not let me use that language.

Mr. Chairman: Right. At least one party is fully represented.

Mr. Rotenberg: It is so easy for them to get fully represented.

Mr. Breithaupt: It is not a major task.

Mr. Chairman: Mr. Adamac was here--

Mr. Breaugh: At nine o'clock. I was here when he was here.

Interjection: It was a little lonely in the room.

Mr. Brandt: I was here at five to nine.

Mr. Chairman: Mr. Adamac is the city clerk of the city of Windsor and was here on Bill Pr6, but I guess he was not here last week with his solicitor. Is that correct?

Mr. Adamac: Correct.

Mr. Chairman: You have something other than the pinball arcade matters to deal with today.

Mr. Adamac: Yes, I do.

Mr. Chairman: Would you carry on?

Mr. Adamac: Thank you very much for giving us the opportunity of appearing on such short notice. Counsel on Monday night instructed me to attend this session and to plead for three sections in Bill 11. We are not asking for anything particularly new. I notice the Metropolitan Toronto Licensing Commission in the municipality of Metropolitan Toronto has similar provisions in its special licensing bylaw, which probably was enacted under special legislation.

Just to let the committee know, our council does not operate under the committee system. The entire council considers all business coming before that council. At times we will prepare an agenda with as many as 30 delegations, which consumes a considerable amount of time. What council is really seeking is some relief from the pressures of handling paper and massive agendas, routine things that could be handled properly by an appointed official. This is the approach the council asked me to present to you. They want the authority to appoint an official to issue any and all licences, or maybe a selected group of licences. There could be exceptions to that rule. This committee may decide on exceptions.

Mr. Rotenberg: To interrupt, it is our opinion that Bill 11 does already give you that authority. Possibly we will look at it to make sure that the authority is more explicit in the act, that routine licensing can be done by an official.

Mr. Adamac: Fine.

Mr. Rotenberg: Subject, of course, to any person on the refusal of a licence being able to appeal to council and any person who objects to a licence being able to appeal to council.

Mr. Adamac: That brings me to my second point, which is the authority to delegate to an appointed official to disallow an application should the applicant not be able to meet all the requirements of the bylaw. I am referring now to cases where people come in and apply for location of a business in an area which is not zoned for it. The zoning bylaw prohibits this kind of an operation, a garage in a residential area or that type of thing.

It should be permitted that we could disallow that application. If the man chose to appeal, he should be notified in writing. This is what we do, notify the man in writing that he has been denied the licence. If he wishes to appeal, he comes before the council. If he does not wish to take the opportunity to appeal, there should be no further reference of that issue to the council. That would cut out a lot of paperwork.

Mr. Rotenberg: That is a little more difficult. It is something that is not presently in the act, but we are very seriously considering it, where the refusal is routine, as you say, for example, a man coming in and wanting to get a bake shop licence in a single family residential zone. That should not have

to go to council. The way the act is now written it would go to council. The point is well taken. It is a matter of how we word that so that discretionary matters do not go to the clerk but the obvious ones do. I am not sure how we are going to handle that one, but I agree with the philosophy of the point.

Mr. Brandt: In other words, where there is a zoning conflict, it is very obvious.

Mr. Rotenberg: Where the plumber does not have his qualifications. There is a fine line in that, where you have to write legislation in such a way that you do not leave in doubt those matters that are discretionary, not obviously matters of rule breaking. You have to write that very carefully, because you do not want an official to be able to use discretion in refusing a licence. I think Mr. Adamac would agree with that.

Mr. Adamac: We agree with that.

Mr. Rotenberg: How to word it is a little dicey. If our legal people say they can't really do that, we may not be able to adopt a principle, but I agree with the philosophy of what Mr. Adamac says. We will work on that.

Mr. Adamac: The third point is a little more contentious. The parliamentary assistant has probably produced the answer to it, but I am not certain it takes care of the problem entirely. That is, the council should be permitted to delegate authority to an appointed official to suspend or revoke a licence for a limited period of time--in our case, 14 days would be the minimum, probably a little more during the summer session, simply because we have a licensing committee. It is set up by special legislation. It has certain authorities. There is appeal from the decisions of the licensing committee to the council.

However, the problem is that if you have a cartage licence and the man is picking up your household furniture worth \$80,000, you want to make sure that furniture is covered at all times in the event of damage, should that man lose his insurance coverage. We are having that come to us as almost a daily occurrence now, where people in business are losing their insurance coverage. We are notified that the insurance company has cancelled them out and, at times, we get very short notice.

David Rotenberg suggested we could write into the bylaw a proviso to require insurance companies to notify municipal councils at least 15 days before they terminate a policy. But we are getting this kind of thing and we would like to know that the customer's merchandise is protected at all times. If we could revoke or suspend that licence for 14 days pending the holding of a committee meeting, then we could make the arrangements, serve notice on the appropriate people to attend that meeting, gather the necessary evidence and be prepared for a hearing, and give the applicant an opportunity to appeal that suspension.

Mr. Breithaupt: Mr. Chairman, this is an interesting view, but in my experience in the insurance area, in reviewing the act on occasion, if we were going to suggest the municipality

might be able to demand of an insurer certain notice or certain requirements where a person's licence might be otherwise affected, it would require that we make amendments to the Insurance Act. It does not seem to me that we could require that kind of result through a decision made under some municipal bylaw. An insurance company would not necessarily know in what communities its client was being licensed and might not know those requirements.

Mr. Chairman: May I comment? It is one of the prerogatives of the chair.

Mortgagees are advised before insurance is cancelled, but then those mortgagees are shown right in the policy and in the records of the insurer.

Mr. Breithaupt: You know whom you have to advise.

Mr. Chairman: Yes. Before you pull the plug in this case, you would have to have on every insurance policy every municipality--you would be opening up a can of worms for the insurance companies.

Mr. Rotenberg: Mr. Chairman, my understanding is, for a cartage licence you have to file with Metropolitan Toronto Licensing Commission an insurance policy with a form which is set up by Metro, in which Metropolitan Toronto is named. We can check with the Metro licensing commission this afternoon. It is my understanding, having seen some of these policies, that--as I am sure is the case with Windsor--the cartageman has to show evidence to the municipality that he has insurance. In Metro's case, they have their specific form which is added to the policy the insurers maintain--maybe it is a standard form for all municipalities--and Metropolitan Toronto is named in the insurance policy.

Mr. Breithaupt: That is fine, because then the insurance company knows what its responsibilities are to contact A, B, C, and D.

Mr. Rotenberg: My point was that with a carter's licence, and aside from United Parcel Service Canada Ltd., most cartage people are licensed in only one municipality, they file an insurance policy and the insurance company names that municipality as assignee, or named insurer, similar to mortgagees. It is a condition that the municipalities inform. There is a 15-day cancellation notice on insurance generally and the named insurer is informed, and the municipality could be informed.

Mr. Breithaupt: Certainly that is the way it should be done.

Mr. Chairman: But, Parliamentary Assistant, I am seeing--normally, that is loss payable; in an insurance policy it is loss payable. Here you do not have the capacity of any loss payable. Can you imagine when you switch companies? Can you imagine all the other things, getting releases of interest from the city of Toronto?

Mr. Breithaupt: I do not think they would have an interest. They would just have the right to be informed.

Mr. Rotenberg: Let us ask the Metro licensing commission when they are here this afternoon.

Mr. Breithaupt: We could inquire as to how they handle that.

9:20 a.m.

Mr. Rotenberg: The point Mr. Adamac is making, in effect what he is saying, is that if the municipality gets notice one way or the other that the insurance policy is cancelled, it wants to be able to cancel the licence of that person without a hearing. We really did not get to that clause in detail, but those of you who sat on the Windsor private bill will recall that they wanted to have the right to cancel a person's licence, not just for the insurance lapse.

I understand that Mr. Adamac might be able to cancel a person's licence if that person was deemed by the clerk to be in violation of the licensing regulations or was charged with some sort of crime which would put him in violation of his licensing. What the private bill wanted to do if the clerk had cancelled a licence for a 14-day period, before the council held a hearing--in other words, suspend him first; hang him first and have the trial later. That kind of violates my gut reactions.

Mr. Breithaupt: I thought that was what the courts were for.

Mr. Rotenberg: Windsor's attitude was if a man is in violation he should not be in business, but my attitude is that you cannot put a man out of business without a hearing. What Windsor have been requesting in their private bill, and I understand are requesting now, is this right to--

Mr. Elston: The right to take away the licence.

Mr. Rotenberg: I understand the right to take a licence away for a short period of time. Even if the insurance policy is cancelled the carter has the obligation to have insurance in force. When they find out about it, they can have a show-cause hearing fairly quickly. I have some reservations about giving a municipality the power to cancel a licence without a hearing.

Mr. Adamac: I cannot disagree with what the parliamentary assistant is saying. I have been a bureaucrat for many years and I know my limitations and I know the limitations on appointed people. There may be some other appointed people who might exercise their duties differently.

Let me just read from section 21 of Metropolitan Toronto licensing: "The director of licensing or any person authorized by the commission may suspend for cause any licence referred to in section 20 hereof until the next meeting of the commission." This is all we are seeking. We do not want to deprive the man of a

livelihood, as David is suggesting. We simply want to put him in suspension for a period of five days, 10 days, 14 days, whatever the committee thinks is appropriate under the circumstances.

Insurance is only one point. There are other considerations, although there are arguments against this also. There are cases where violent crime or some fraudulent operation is going on and it becomes known. The man is charged, maybe incarcerated. It seems to me that that operation, whatever operation it is, and there is a wide range of activities that can be licensed under Bill 11, you would think there is a group of activities which you would want to suspend that particular operator from participating in until the matter is cleared by the courts, or at least until a committee of elected people can sit in judgement over that licence. That person should not be allowed to operate in the interim period, because sometimes a committee cannot meet for 14 days or so.

Mr. Chairman: Would it not be correct, Mr. Adamac, to say that in certain businesses, if you suspend that business for seven days or 14 days, he has no business left to come back to?

Mr. Adamac: That is the danger we face. I would think this committee would be wise enough to come up with language that would prevent that occurrence.

Mr. Chairman: If you closed a grocer for two weeks, I suspect that in this day and age he probably does not have a business worth opening on the 15th day.

Mr. Adamac: What I had in mind, particularly, is taxicab drivers charged with violent crime of some kind. Take him off the road until the matter is cleared.

Mr. Breithaupt: What about liquor offences, this sort of thing, that a taxi driver could be subject to?

Mr. Adamac: I am thinking of molesting children. They are in charge of children. They drive kids back and forth to school, and if there is a case of child molestation, I think the guy should be taken off the road until the elected people have been able to sit in judgement over his ability to continue the operation.

Mr. Breithaupt: Presumably the courts will be sitting in judgement as to whether that person was guilty of that offence.

Mr. Adamac: Yes; and a good lawyer can keep that matter in abeyance for six months. Our courts are so clogged now--

Mr. Breithaupt: That may all be so, and the component parts of that side of the system might well be not fully dealing with these things in a proper and current approach. However, you seem to want to be able to second-guess that situation, whether that person is guilty or not will eventually be decided. In the meantime, you are taking away that person's living. It is a very difficult area to deal with. Where we are, we at least presume that the person is innocent until proven guilty.

Mr. Adamac: There is no question of it, Mr. Chairman, it is a serious step that you are considering and it is a serious request that you are considering and we appreciate that.

Mr. Breaugh: I have two problems with the requests that are being made this morning. Whatever the parliamentary assistant might consider in the way of amendments to handle these particular problems, I would like to put on the record the difficulties that I would have in both instances.

In the first one, it seems like a relatively normal way to proceed; that is, to have a clerk or some official of the municipality handle the actual application forms. I have no difficulty with that at all, so long as it is clear in the legislation that the clerk does not have the right to refuse to take an application. In other words, somebody can be designated to receive the application forms, and in fact I am prepared to say he can make the initial assessment of whether or not that qualifies, and that is ratified at some subsequent period in some formal way by a committee of council or the council. I have no problems with that.

The difficulty I would have is if this legislation allows a clerk of a municipality to refuse to take an application; in other words to stand at a counter and say, "You cannot even fill out the form because I say you do not qualify." There is a little hooker in there which means that person then could not even appeal to the council or whatever. I simply want the legislation, if you are going to redraft it, to be clear on that, that an individual has the right to apply and a clerk cannot refuse the application form because I am aware that in a number of other situations that are similar the first problem is to try to get somebody to take the application form.

Mr. Rotenberg: What I am contemplating is something that says the clerk may refuse an application but the applicant must be informed in writing that he has a right to appeal that refusal to council. That is the kind of thing I have in mind.

Mr. Breaugh: Okay, but I want to put a slight twist on that. I would say that the clerk does not have the right to refuse the application but he has the right to deny the permit, so that it is clear that if I go into city hall to apply for a licence for whatever business it is my right to fill out the application form. The clerk may have an obligation under the law to review the application form and make a decision whether I do or I do not qualify. If he says I do not, then at least I have an appeal to council. If the clerk looks me in the eye and says, "Do not bother filling it out, fellow, because I am not going to give you this licence," I am in no man's land.

Mr. Rotenberg: I agree with you and anything we do will not allow that. That is not a function of a clerk and I agree with what you are saying.

Mr. Breaugh: That is my first problem. The second is, I appreciate the difficulty that the city of Windsor has put before the committee and I do understand that in certain circumstances

that would be my initial reaction and probably my desire, but I am reluctant to do it in the way that they have recommended.

If there are, for example, taxi drivers who have been charged by the police, it seems to me quite legitimate for the taxi company to take the driver off the road or to remove the person from the situation. On the other hand, I do not see any justification for lifting the licence of the company, which would have the net effect of putting probably a dozen innocent people out of work as well.

If it is a small retailer, if some accusation has been made about the retailer, perhaps there might be some justification that he has lost his insurance or something like that, but why should six other people lose their jobs because the owner of the shop has been accused of something? I have a little problem with that in addition to the one which everyone else has said, that it seems a little dicey to me to have the municipalities given more powers in the courts.

9:30 a.m.

I want you to handle that with care. I appreciate there may be means whereby if a cartage company, for example, loses its insurance coverage, you may make it a condition of the licence that in order to continue in operation you must have that insurance, and at the point where you lose the insurance you cannot really continue. I appreciate there is going to be some difficulty in drafting that because the act is not too clear on it, but I would go back to what I consider to be something basic, I do not believe any clerk anywhere has got the right to put somebody out of business on a personal decision and then make it subject to the next meeting of the council.

So in whatever changes you might make to reflect the difficulties that I think are legitimate and have been presented to you, my first problem would be simply that nobody on his own should have the right to put an individual out of business, to withdraw his licence to operate, because a court cannot do that. I am not prepared to give that to a clerk in a municipality or any other official, however well-meaning they might be. The basic problem I have with it is, you might very well say that the owner of a store has been charged with something. It does not necessarily mean that the owner is guilty and it may well have the net effect of putting six sales clerks out of a job because of the supposed actions of somebody else.

I appreciate there are some problems in certain types of businesses that they might license and I am quite happy to have you try to go to work on that part of it, but the fundamental request strikes me as something that we really should not do, that it is unfair.

Mr. Rotenberg: We do not intend to do anything on that. We are going to look at it but my inclination is not to give them an official power to cancel a licence. I would point out to the members of the committee that under the present legislation, in those municipalities where the police commission handles the

licensing, of which there are very few at this point, the police chief has the right to suspend a licence for 14 days or the next commission meeting, whichever is sooner. We have taken police commissions out of the licensing business and we have not extended that power to anyone else.

As you pointed out, Metro Toronto does have that power and I want to question the Metro licensing commission this afternoon about how it uses that power. The chief licensing official has some power in that line.

Mr. Breaugh: I would not deny for a minute the legitimacy of some of the points which Windsor is raising here, because I think that they are valid and I would not want, for example, a cartage company dragging my furniture of little value around--

Mr. Breithaupt: Your \$80,000 furniture?

Mr. Breaugh: I do not think so. I appreciate the problem that is there but I think the solution is a little too drastic for me and that there are ways to handle it other than making changes in this act. I am more concerned about the potential for abuse there and the problem I see is that the abuse could happen by a very well intentioned person.

Somebody in a municipal office could say, "My God, this guy has a licence to run a video arcade and he has just been charged by the vice squad." Acting on reasonable information that the charge has been laid by a police officer, he might say, "I certainly cannot have that person running a video game parlour so I want to pull that guy's ticket," but he may not have access to all the information that the police have. The guy may not be guilty and the guy in fact may never be on the premises. He may simply be the person who has the licence. There may be six other very legitimate, saintly persons running the video game parlour.

Mr. Breithaupt: The judgement in that case is not the sort of thing I think the clerk should have. As far as the fact of having insurance or not, that is a mechanical sort of situation where probably we can allow that power.

Mr. Rotenberg: Mr. Chairman, I agree with what Mr. Breithaupt is saying. I have no sympathy at all for the contention that a clerk has the right to cancel a licence because somebody has been charged and not convicted. I really have no sympathy at all for that position. If a man comes before the proper hearing body, the council or the commission, he can have a show-cause hearing, a judicial hearing, and if they want to pull the licence--

Mr. Breaugh: The approach that I would try to encourage you to take, David, is roughly akin to this. If somebody has a cartage licence and some police officer pulls his truck over and the truck is unsafe to be on the road, the net effect of that is you pull the truck off the road, which may seriously impede his business and in fact may prevent him from continuing in operation--

Mr. Rotenberg: But that is under the Highway Traffic Act.

Mr. Breaugh: Right. But you are not not pulling his licence to operate and that is the distinction that I make.

Mr. Rotenberg: But if it is a mechanical matter, such as you must have insurance to have a licence and the insurance is no longer there, that is something that possibly a clerk could be able to handle.

Mr. Breithaupt: There is no judgement there.

Mr. Rotenberg: There is no judgement there and it is not a case of you being accused and not being found guilty. It is a case where there is no insurance and that is something I am not quite sure how we can handle. I have some sympathy for that point but not for the other part of the situation.

Mr. Breithaupt: I can see it that way.

Mr. Rotenberg: In this country a person is still innocent until proven guilty and I do not want anyone to be able to pull a man's licence until he has been proven guilty of whatever.

Mr. MacQuarrie: Mr. Chairman, looking at the same problem from possibly a different context, where you have what could be emergency situations developing in the course of the conduct of a licensed undertaking: For want of a better example, take a travelling show which moves in and is licensed for a week or so and turns into a real disaster in every sense of the word. Surely there should be some mechanism whereby that thing can be closed down and the licence revoked, either under the terms of the licensing bylaw or that the police have substantiated evidence of all kinds of problems on everything from on-site equipment to health or a number of things.

Mr. Breithaupt: Or health matters such as food or cleanliness, whatever.

Mr. MacQuarrie: The licensing authority or its delegate should be able to respond quickly to the problem.

Mr. Breithaupt: But in an area like that, surely the medical officer of health could deal with the food services problem or--

Mr. MacQuarrie: If it was a health problem.

Mr. Rotenberg: The MOH has the right to close the place down under that situation.

Mr. MacQuarrie: Then the medical officer of health can step in, but there are other problems.

Mr. Breithaupt: Of course.

Mr. MacQuarrie: I cannot give any examples right now off the top of my head, but I do know that this type of enterprise can cause a municipality a lot of trouble.

Mr. Breithaupt: Yes.

Mr. MacQuarrie: Someone has to be able to react fairly quickly to solve the situation, otherwise you are leaving yourself wide open to all kinds of problems.

Mr. Adamac: One last word, Mr. Chairman.

Mr. Chairman: Yes.

Mr. Adamac: There is the matter of cottage licences, which came up in council meeting just the other day--truck rentals, as a matter of fact; these drive-yourself truck rentals. There was a situation where these people were leasing these trucks to unsuspecting householders to move their furniture from Windsor to wherever and the truck was in an unsafe condition. One had an ignition system that had been tampered with and the wires were crossed.

We really have no authority to take that vehicle off the road or to suspend licences and the guy just continued to operate that vehicle. I suppose it met the requirements of the mechanical certificate. He was able to produce a mechanic's certificate, but nevertheless these ignition wires were crossed, posing a fire hazard.

It just seems to me that I agree with everything that has been said by appointed officials. David said that the police chief had some authority to suspend certain licences where the police commission does the licensing. In our case, the police commission does not do any licensing; we do it all.

Mr. Rotenberg: That is the present Municipal Act. We are not extending that power into Bill 11.

Mr. Adamac: What I am really trying to do is draw a parallel. You are really saying that a chief of police can use discretion. Fine. But it might not be safe to give a municipal clerk or some director of licensing that kind of discretion. I rather disagree with that concept. I do not think that the municipal government is looking to deprive people of anything. I think they have a pretty tight rein over their appointed officials. I do not think their appointed officials can use very much discretion if it is not used wisely.

We are becoming a bit too permissive when we suggest that we can allow a rapist to continue to operate a school bus until his case comes up in court, until he is convicted and sent to prison. There just does not seem to be a reasonable way to protect the public with that kind of outlook.

Mr. Chairman: Fine. Thank you very much. We are really pressed for time and I do thank you for appearing before us.

9:40 a.m.

Mr. Koumoudouros, would you please come forward? Very little time, sir, has been allotted, the reason being that you were here

with a different group the other day. We have packed things in prior to 10 o'clock, so we really should try--committee members and so on--to make this as brief as possible having regard to Mr. Koumoudouros's submission.

I would point out to committee members exhibit 31. Perhaps you might highlight that, Mr. Koumoudouros. I was glancing through it. You might underline or highlight the problems set forth in this and then hit your solutions. Would you carry on, please?

Mr. Koumoudouros: I was here the other day with the Ontario Tavern Association. They have the inclination the government feels if adult entertainment licences are to be denied to establishments because of neighbourhood locations that is going to force a mass of unemployment and bankruptcies.

I tend to agreed that way, but there are two important questions which had not been raised the other day. The two important questions are these. In Ontario, we have two types of liquor licences. We have the dining lounge licence and a lounge licence. In order to obtain a dining lounge licence, you have to have a restaurant fully equipped with proper kitchen facilities and a capacity of 23 seats and over. The lounge licences are completely different establishments.

In Metro Toronto and Mississauga, there are 70 striptease clubs existing today and probably 85 per cent of them, around 55, are dining lounges. Those dining lounges were operated like restaurants until a few years ago and they started featuring adult entertainment to increase their revenue. Some of them use one dancer, some use three, some in the day-time or the afternoon. In Metro Toronto and the Mississauga area there are approximately 12 striptease clubs which hold lounge licences. In order to obtain a lounge licence today, you have to have a hotel of 50 rooms and up. There are some existing licences which were given after the war to large establishments with 300 to 700 seats.

A place which is licensed as a lounge and has limited kitchen facilities, cannot allow entry to anyone under the legal drinking age, not just to consume alcohol, but they cannot even be allowed on the premises. Those types of establishments over the years were establishments where adults only could go to entertain themselves. All of these are establishments on an expensive piece of real estate and they would be \$1 million or \$2 million operations.

If the government of Ontario allowed such a business and a municipality refused or revoked a licence because of the location or the neighbours, I think it would be unfair. Those places have been established for the last 40 years as places where adults only can go and view entertainment. Entertainment over the years has changed to light dance, belly dancers, go-go dancers and strippers.

I am going to be very short with my brief because we do not have very much time. I will bring an example of the former Hollywood Tavern where the House of Lancaster is located today. In 1972, the Hollywood Tavern was sold for \$1.2 million to a very successful family in Metropolitan Toronto which was very

experienced in the hotel industry. They operated for a while, did not make a profit and sold the place to cut their losses. The next owner operated for a couple of years but took a loss of \$300,000 and the place was in a mortgaging position. The place was sold again to another party for \$930,000. The other party took another \$200,000 to \$300,000 in losses and the place was in a mortgaging position again.

Last February, my brother and I bought the Hollywood Tavern. The offer was conditional upon obtaining an adult entertainment licence, such licence being issued to us on February 9. On February 12 we closed the transaction. We applied to the Etobicoke government for a building permit with plans that indicate what we intended to do: to make a high-class strip club.

To obtain a building permit we spent \$200,000 to renovate the premises, and we feel that if the ability to obtain a licence is denied to us because of the number of locations, we are simply going to go broke. We feel that such large establishments cannot survive without a form of entertainment.

On the last page of my submission we recommend that you take into consideration protecting large lounge establishments with a capacity for over 300 in this bill.

Mr. Rotenberg: Mr. Chairman, if you want a comment, really what is being asked, as was asked by the delegation yesterday or the day before, is that the municipality not have the power to put out of business a legal nonconforming use by reason of location. Now, the general act does not give the municipality that power, but in the adult entertainment and body rub sections it does give them the power to specify locations and, in the licensing by location, to not renew a licence or to pull a licence by reason of location.

What this morning's deputation has asked for is what was asked for by the others: that there not be that exemption from the general rule for adult entertainment parlours. I indicated the other day that the point is well taken and that we as a ministry will be considering the point as to whether adult entertainment should or should not have these special rules.

Mr. Breithaupt: In other words, as to whether to protect the nonconforming use in a continuing situation.

Mr. Rotenberg: In other words, the House of Lancaster is there; they are now legal and they now have an adult entertainment licence.

Mr. Breithaupt: And need nothing further.

Mr. Rotenberg: And they need nothing further. What the gentleman is asking, in effect, is that the municipality now has the power at some future date to decide that instead of 62 adult entertainment parlours in Metro there will only be 59, and he can be cancelled; or that there will be no more licences in that part of Etobicoke, that they will be cancelled because of the change in zoning.

That, I gather, is what you are asking for. I think it is a point we have discussed, and we will be giving serious consideration to that.

Mr. Koumoudouros: Sir, the point here, as we all know, is that a licensed establishment today is a very expensive business to--

Mr. Rotenberg: I understand your point, sir, and, as I say, we are prepared to consider it.

Mr. Koumoudouros: What I do not like in this is that we are at the mercy of the municipality every year. Let us assume that this year we spend \$200,000 to renovate this establishment, and next year a different council comes in and says, "We do not like you." I feel that at least the large establishments, which cannot survive without entertainment, the dining lounges, were selling food before and they can sell food again. The lounge licences are for huge places that are designated as adult entertainment places. They have limited kitchen facilities, and we have to have entertainment in order to stay in business.

The Hollywood Tavern a few months ago was grossing \$10,000 business a week and employed three full-time employees and two part time. After we renovated we employed 40 people, we generated approximately \$40,000 to \$50,000 a week and we collected \$15,000 to \$16,000 a month in sales tax for the government, and we feel the government cannot leave us at the mercy of the local municipalities.

Mr. Rotenberg: I would indicate to you that we are prepared to consider that, but I am not prepared to consider different rules for different sizes. There will be exactly the same rules for everybody. If the large ones are going to get it, the small ones will too, and vice versa. That is my opinion at this point.

But I can indicate to you that it is a matter which has been raised by the committee, and I think many members of the committee have some sympathy for your point of view.

Mr. Koumoudouros: I have another issue. A small restaurant, let us assume it is a 100-seat restaurant, has a dancer. A lot of places use one dancer in the afternoon. If you take that one dancer away, the loss is not going to be so great; they probably can still survive. If you take the licence away from us, we will go back to three employees the way it was before.

Mr. Breithaupt: This is the point you have made, and I think we understand what you are telling us.

Mr. Koumoudouros: Even if it is a small place, if it has one dancer that is a help. I think if I tried to do something else, improve my business a different way, I might lose. But the point here is that if my licence is denied me, I am totally broke.

Mr. Breithaupt: We understand that, and I think that is something that can be protected.

Mr. Breaugh: I have two quick points that I think are pertinent here. I think this is a reasonable argument that is being presented this morning. It is my thinking that the purpose behind putting the "300 persons pursuant to the Liquor Licence Act" is that this is a qualification or classification of the Liquor Licence Board of Ontario.

I am not sure I am in full agreement that you ought to deal with the size of the establishment; I am not sure that is a critical criterion. But what I think is pertinent here is that when this is under consideration I would like to see the parliamentary assistant give some consideration to something that would make sure that people do not get caught in a double jeopardy situation, as Terry is. I really feel very strongly that if a business is licensed and regulated, particularly one that is regulated as much as something under the LLBO, surely to God that is sufficient regulation, and after that there is no need for some other level of regulation to come in.

I think that in the case of this establishment and others we have seen before the committee they are kind of meeting the bill under current planning regulations, mostly under nonconforming use. But at least those were the rules of the game: everybody knew them and they did conform; and, as in this case, under that kind of regulatory agency they were approved less than a year ago. Second, they were once again regulated and controlled under the LLBO, and it seems to me that that is enough.

I think the real problem that is being pointed out in this and other submissions we have had is that this concept of adult entertainment parlours is one which is misunderstood and that the original bills which addressed themselves to it did not really talk about a recognized, licensed liquor establishment; the discussion focused on other types of adult entertainment, if you will pardon the expression. And perhaps we need to redefine that so that people who are running an operation which is licensed by the LLBO, as an obvious example, should be excluded from that. And that is basically--

Mr. Breithaupt: By way of second guessing.

Mr. Breaugh: Yes. That is basically the gist of what Terry has put before the committee this morning, and it seems to me that this would be a reasonable way to redefine that: If it is licensed by the LLBO, that is enough, and you do not put people in double jeopardy so that they get full conformity with one set of rules and some time later on somebody else introduces a second or third set of rules.

Mr. Rotenberg: The problem is this, and it is something we have to wrestle with both as a ministry and as a committee: The LLBO does license premises, but under their legislation the LLBO does not have the power to control entertainment.

Mr. Breaugh: Oh, wait a minute. Now come on, David.

Mr. Rotenberg: Yes, because I am informed there was a court case where the LLBO did try to do that.

Mr. Breaugh: David, step into the real world for a change.

Interjection.

Mr. Rotenberg: Well, morality. The question really becomes, because municipalities have asked for this, whether or not we continue on the general philosophical basis that a municipality through its licensing, because that is the way we have done it, should be able to have control over "adult entertainment," whether they should be able to set up rules about what is or what is not deemed to be within community standards of entertainment and these sorts of things.

When you have made that basic philosophical decision, whether municipalities should or should not be in that business, then everything else will follow. Basically the LLBO is not in that business and the municipalities want to be in that business, and that is the decision we have to make.

Mr. Breaugh: I just cannot resist. Anybody who lives in the real world knows that a person operating a licensed liquor establishment has inspectors crawling through the place daily, inspecting everything from the price on the menus to the size of the menus to the time when drinks are served to the prices of the drinks that are served. Now, if you want to look for an overregulated industry, it would be hard to dream up in the worst bureaucrat's mind anything worse than a licensed establishment in this province. You may say that they are not supposed to be dealing in morality, but I think that flies in the face of what is really happening.

Mr. Rotenberg: Mr. Breaugh, the liquor licence inspector cannot pull a licence because of what may be deemed to be an obscene performance. The question of whether they should or should not do that or whether the municipality should have that right is something we must decide. But the regulations say--

Mr. Breaugh: Or the question is whether they do or do not do that.

Mr. Rotenberg: The question is whether anybody should or should not do that. If you decided what can or should be done, the liquor licence inspectors do not do that and they do not seem to have the power to pull a licence for obscenity or immoral situations, whereas at the present time--

Mr. Breithaupt: That is what the peace forces and the Criminal Code are for.

Mr. Rotenberg: At the present time under municipal licensing they do have the power to enforce moral standards, under that broad general heading, as far as the type of performance is concerned. That is the basic problem we have to deal with, whether that should remain or not in the licensing legislation. If you decide yes, then you have certain things to do; if you decide no, then of course Terry has no problem.

Mr. Breaugh: My answer is no.

Mr. Rotenberg: I know your answer is no.

Mr. Koumoudouros: Gentlemen, once a lounge establishment has been designated as a place for adults only, that establishment is governed by the health department, by the liquor department, by the local police department and by the headquarters, the morality squad. If any obscenity show or any indecent show plays there, that establishment is visited often by the police department, and I hope we charge the police department with having the judgement. Now we are trying to say a police officer does not know how to do the job and we have to have a Metro licence inspector.

To my understanding, in the four months I have been in the business, the only duty of the inspector from the licensing commission is to ask if the girl has a licence. I think that, well, the police officers do the same thing. We are an adult establishment. Under the Liquor Licence Act, we cannot permit anyone under the age of 19 to be in the premises even to have a glass of water.

I feel we have to be protected by this bill. If we are not, we are left for our fate to the municipality. We are okay today. We spend half a million dollars to fix this place up. After the election, the new council may say: "We do not like you. We will close you down." I think the government has to give us some help on that. Other things it says here are disallowed. We have several government agencies which handle that. It is a very well-governed industry.

Mr. MacQuarrie: My question has been substantially answered, I think, and that is the extent to which the liquor licence board can control entertainment within licensed premises. To my mind, although they might not have that great amount of control, except possibly indirectly, there are of course the provisions of the Criminal Code, the obscenity provisions, the checks by the morality squad and all the rest of it to ensure community standards in respect of decency are maintained.

It seems to me to be adding just another problem area to the operation of establishments like that if we introduce another group having some sort of influence and control, or exercising judgement over what is proper and acceptable within the meaning of community standards. The attempt, I think, in all of this is to try to avoid overregulation, and if an industry or an undertaking is already being overregulated, this is certainly an example.

Mr. Chairman: Thank you, Mr. Koumoudouros. That is the end of the questions.

The third group is from the Kitchener Downtown Improvement Association. Would you come forward, please? There are two gentlemen here, Messrs. Park and Goudie. Is that correct? No. Like Weber, you have weird pronunciations in Kitchener-Waterloo. You just do not know with Kitchener; it can be almost any pronunciation.

Mr. Goudie: Is Breithaupt pronounced differently if you do not come from Kitchener?

Mr. Chairman: That is right. Breithaupt drops the 'h' also; that is correct. Ms. Strub is not with you?

Mr. Park: No, she was unable to make it.

10 a.m.

Mr. Chairman: Members, may I point out to you exhibit 32, which is the submission from the Kitchener Downtown Improvement Association. Who will be the spokesman?

Mr. Park: I will be the spokesman. Mr. Goudie will answer the questions.

Mr. Chairman: Fine. Thank you. Carry on, Mr. Park.

Mr. Park: Mr. Chairman, we appreciate the opportunity to come here, because I know it was a last-minute thing for us to be able to get on today. As the agenda says, I am chairman of the Downtown Improvement Association board of management.

You have now received our written submission, and you have received a written submission from the Kitchener Chamber of Commerce and the city council. We certainly are endorsing what they have already said. Our prime purpose for being here today was simply to highlight what we feel as being the major concern to our association, which is the hawkers' and pedlars' part of the proposed legislation.

For your consideration, we are suggesting that:

1. The municipality should have the flexibility to control the term of the licence it issues to hawkers and pedlars for periods of from, say, one day to one year.

2. The bill should allow municipalities to charge a business tax tied to the volume of business done by hawkers and pedlars. In our opinion, the tax should or would not be in excess of 10 per cent of gross sales. These figures could be obtained from the provincial sales taxes as they are filed. We also feel the municipality should have the power to set a combined licence and business tax fee to no more than \$1,000 per day for the hawkers and pedlars.

We feel the above powers are necessary to allow the municipalities sufficient power to ensure that the hawkers and pedlars are not operating at an advantage over local business, which we feel they are at the present time. The current and the suggested low fee afford the hawkers and pedlars a competitive advantage.

In addition to that, we do not feel hawkers and pedlars are necessarily a desirable type of business in a community. There are a number of reasons and some of them are listed in our submission. To highlight some of them and some of the other ones we feel we

are concerned about: The money that is paid to hawkers and pedlars does leave the community in most cases; there is little, if any, recourse to consumers if a problem arises; they provide few, if any, local jobs. There are others, and I am sure that through the course of your hearings you have heard most of them already.

That really is the crux of our submission and reasons for being here this morning. As stated earlier, we would be more than happy to answer any questions you may have of us.

Mr. Rotenberg: Mr. Chairman, as you know, we have in the Municipal Act, and we are leaving in the Municipal Act, despite Bill 11 taking over most licensing provisions, the section about transient traders. Among other things, a transient trader is defined as someone who does not continuously reside in the municipality for a period of three months. That was included on account of people who come into a local hotel with a load of whatever and stay for a couple of days. They are charged a much higher licence fee than normally.

We are continuing that. We indicated to your city council representatives that we are going to look at the hawkers and pedlars to possibly broaden the definition of transient traders.

The problem I would like to question you about is that we have in Toronto, and you may have in Kitchener, people who reside in the city, such as we have just around the corner here at College Street, who are out there every day selling flowers on the street corner. Would you consider those persons to be hawkers and pedlars? Would you consider those people who are resident in the municipality to be subject to this higher licence fee, or would you want it just for those people who come into town from time to time and do not reside in your municipality?

Mr. Park: Mr. Goudie may want to answer to that as well, but we feel that the licensing fee on a daily basis, if necessary, could help sort that out. We feel there is a difference between people who are permanent residents and are flower sellers, whom we do not have in Kitchener as you do here. If the combined fee were such that there were a maximum on it, we feel it would help control that.

Mr. Goudie, you may have some other observations.

Mr. Goudie: I would say the established businesses do not want to be against any free enterprise. All they want to know is that they are treated fairly. We think the only fair way is something on the basis of sales. I guess today we have sales tax on flowers as well, don't we?

Mr. Breithaupt: And everything else.

Mr. Goudie: Yes, low-priced food and all that. That is another story. Therefore, to me, because sales tax is a provincial affair too, there should be no reason why we should not be able to establish some form of licence fee to cover a considerable area--I am thinking about business tax as well--on the basis of sales tax. I am sure the sales tax people are going to be checking these

people pretty closely to be sure they are paying their sales tax. Therefore, that should be the guide.

Always in the past someone said, "You never know whether they are going to give you a true sales picture." You are not sure whether you are going to get a true sales picture, but you are going to get a pretty accurate one. We are not against what used to be called hawkers and pedlars coming along peddling stuff door to door, maybe for a lower fee, but again it should be based on sales. The big nigger in the woodpile that has happened in most recent years is these people with distressed merchandise; we had it particularly in our own community last year, two big two-day sales of leather coats.

There must have been at least 1,000 coats each time, and all they paid was \$150 to come in as many times as they wanted during the year, which is utterly ridiculous. The hotel rented them the ballroom, which is fine. There is no reason for the hotel not to rent the ballroom, but it is the same as renting a ballroom in a hotel, a hall somewhere else or an empty store. They are in business for that day or two days and so they should pay a business tax the same as anybody else.

Mr. Rotenberg: My question really is, would you distinguish between those people who come in once or twice a year or whatever and rent space and, say, a resident of your city who sells flowers on the street corner?

Mr. Goudie: There has always been a distinction between residents and nonresidents.

Mr. Rotenberg: But if a resident sets up in hawking or peddling, you would be in favour of continuing the distinction between residents and nonresidents?

Mr. Goudie: I would say there should be some difference between residents and nonresidents. It is the out-of-town people. People who are living there, or paying even their own home taxes and things like that, are contributing to the community. If they want to go into business in some way, there should be some distinction. I agree there could be a range of fees, but I think it is too controlled at the present time. The city has to have a little more freedom in regard to these fees, and it has to be allowed to charge a higher fee.

If I may add something right here, I know you did put a clause in this Bill 11 that the municipality, if it had a licensing department, could figure all the costs in there and raise the fees a wee bit more to cover the costs of administering its licensing department, but that only will apply if it has a licensing department. In Kitchener and Waterloo, Kitchener has a licensing department and Waterloo has not. They do not even want to license anything in Waterloo, which is wrong. The township of Woolwich does not have licensing so it cannot charge any more than you lay down in the act.

Mr. Rotenberg: Was that the former mayor of Waterloo who made that mistake?

Mr. Epp: It is just more free-enterprise-oriented there.

Mr. Chairman: Mr. Goudie, could I ask a question? If you are going to draw a distinction between residents and nonresidents of a municipality, then what do you do with the situation where the nonresident joins in some kind of partnership or business arrangement with a resident of the municipality, even if it is a 99 per cent/one per cent partnership? How are you going to distinguish there, if you are breaking it down in resident and nonresident, or put it in a corporate framework with a 99 per cent/one per cent distribution of shares, etc.?

Mr. Goudie: That's true. But from the business tax angle, people have to be residents for six months in the municipality before they do not have to pay the \$500 fee as a business tax. Surely something like that could be--

Mr. Chairman: But the one per center may be a 50-year resident.

10:10 a.m.

Mr. Epp: For instance, if a Mary Kay Cosmetics group were just to move in and hire a big hall and sell everything right there, one of its distributors could get the licence for it. The group might not even have one per cent of the equity in the company. In terms of beating the bylaw, it could have somebody local get the licence.

Mr. Park: Here is where the combination of the licensing fee and the business tax up to possibly 10 per cent of gross sales might help to equalize that kind of situation.

Mr. Epp: But you could not use the nonresident aspect, because getting somebody local is one way of circumventing the law; then you just have to take a certain percentage of the gross sales.

Mr. Park: That's right.

Mr. Breithaupt: The resident aspect is something that has been traditional the way society has developed, where you knew everyone in the village or the town and this other person coming in was clearly somebody new and different to that community. But those distinctions change as you get into a regional form of government with component municipalities, some of which license and others of which have the licensing function at the regional level.

The simple fact of easier travel for a truck to get from one community or 100 yards inside the next community has effectively destroyed the resident-nonresident, traditional way of understanding or defining. It looks as if we have to come up with some new kind of a pattern, because these other things can be so readily avoided, in an unfair way, I think, to the local people.

Mr. Epp: I have another question, if I may. Mr. Goudie or Mr. Park, do you have any idea of how much money is taken out

of the community by the hawkers and pedlars either in Kitchener or in the Waterloo region every year? Has anyone done an estimate of the kind of sales that go on through people coming and primarily taking the narrow definition of somebody coming in from outside, with a truckload of coats or whatever it may be, and having these sales?

Mr. Goudie: I don't think anybody actually has that. I did personally go through the ballroom of the Valhalla Inn the last time this coat fellow was there. There were at least 50 long racks of coats hanging there and they were selling, no question about it. There was a truck out in front and they were bringing more racks in as supplies went down. On that one day there would have been at least \$10,000 sales of coats. They were showing a special sales price but it is caveat emptor. The buyer has to beware when he is buying from one of those places, because he has no comeback. The people leave town. They might come back in, but it might be a different group. You never know.

I think the only true way we can get some figures is through the sales tax department, because if we ask the vendors, they are not going to tell us.

Mr. Epp: They get their licences in Kitchener. Have you any idea of how many events or how many of these people come in a year? I know you can't do that in Waterloo, simply because they do not license there, but have you checked with the licensing department in the city of Kitchener?

Mr. Goudie: We haven't done that. The licensing department certainly has the figures, but it is not just that. There is furniture too and things of that nature. They come in with truckloads of stuff.

Mr. Park: Our concern at this time is that with the amount of bankrupt stock now coming on the market, there is going to be a distinct stepup of those people coming in with a truckload way of doing things. I think we are concerned as to how we even up that competitive edge.

Mr. Breithaupt: I think the garage sale situation is more of a phenomenon in more difficult times. Things are not going to be donated, let's say, to the Salvation Army or the House of Friendship; they are going to be sold if that is possible.

Mr. Goudie: The garage sales are really becoming quite a factor. Some people are even buying stuff to resell again. Kitchener charges \$1 for a garage sale and only allows them to have two sales a year. Waterloo does not charge anything. Now they even get together and 10 neighbours put it on, and they do not pay \$10; they pay only \$1. There is no sales tax collected there because it is too difficult to do this.

Mr. Breithaupt: That is another growing theme in difficult times.

Mr. Goudie: We are told in the retail game that it is the garage sales and the flea markets that are going to be the

low-priced stuff and the discounters are going to start trading up. You might have read in the papers recently that K-mart is starting to trade up on their fashion merchandise and they were considered a discounter. Waterloo, a month ago, had a liquidation sale for furniture and the liquidator brought two other furniture places, from Guelph and from somewhere else, into Kitchener.

Waterloo does nothing about it. They allow it to be done. So we are getting this stuff flowing into other communities when something is going on like this. I am sorry, that is putting it off the track a bit from the hawkers and pedlars basically, but there has to be some protection. They can come in, we will not stop them coming in, but we want them to pay a fair share for the space they are occupying while they are there.

Mr. Breaugh: I have no real problem with the main principle you are expressing in your brief. I would put to you that we are going to have some difficulty when we get into the area of resident and nonresident and frankly, from my point of view, if you start trying to control severely things like garage sales and occasional sales you are wasting your time and money and there is nothing in it but a lot of aggravation for a lot of people.

I want to test an idea with you. I would be a proponent of something like a special occasion sales permit. The purpose of the exercise is really to get at people who come in and attempt to do high-volume sales for a very short period of time and then they are long gone. It strikes me that it would be possible to identify, probably around the volume of sales, just precisely who you mean.

Would that resolve the main problem you are trying to address here, if some attempt were made to allow municipalities to license a relatively high-volume, short-period sales establishment which might move into a motel for a weekend and attempt to do \$20,000 worth of business in two days? For that particular group you would establish some form of almost a temporary business tax. They might do in three days what a normal retailer would do in five or six weeks; so you attempt to try to get the same amount of business tax off them. Would that really get at the main problem as you see it?

Mr. Goudie: I think that is the big question. This being in one place seems to be the wrong thing to be tied in with the hawkers and pedlars. They are coming into town, doing business from one place, from a store and, as you say, those are the ones really that are--

Mr. Breithaupt: A fixed location might also be a criterion.

Mr. Breaugh: I am really trying to get out of all this what I would refer to as garbage. There is a lot of stuff in here where you would be chasing flower girls around the street trying to collect the business tax, and I am not prepared to do that. I might chase them for other reasons, as Mr. Rotenberg says. I think that could be a tremendous waste of time and effort in there with virtually no sense involved in it.

I think I am sensing the group that you are attempting to get at, and I think it would be possible to provide for some kind of a special occasions sales permit which had attached to it something to reflect that even though they might only be in town for a short period of time, their sales volume would generate what a normal retailer would get in perhaps as much as four or five months, and attempt to kind of relate those two things. That is about as far as I would be prepared to go, and I just want to try it on with you to see if that meets your main concern.

Mr. Goudie: The fee then is for that occasion, not a fee like this, \$150, and they can come in as many times as they want during the year. They should have a fee each time they come. If you want a hawkers' and pedlars' fee at the low range for these other things, fine, I think that is no problem.

Mr. Rotenberg: Can I just stop you there for a moment? We are also trying to grapple with the distinction between just having a normal licence fee under Bill 11, which says you can only charge the administrative cost, and having an extra licence fee in lieu of business tax or penalty.

10:20 a.m.

What about a criterion which says any person who rents private property within a municipality--which would distinguish from a door-to-door salesman or the flower vendor on a street corner--and does not pay business tax would be subject to this special, one-occasion permit? If we caught all those people, would that be sufficient? Anyone who does not rent private property and does not pay business tax would not be caught up in this special legislation. Would that satisfy your situation?

Mr. Breaugh: Except that I am sure it would take all of two weeks for somebody to figure out that what I should do here is not to set up shop in the hotel, rent a tractor-trailer and sell it out of that.

Mr. Rotenberg: But you have to put the tractor-trailer somewhere.

Mr. Breaugh: Yes, such as on a city street, or a parking lot of a shopping centre.

Mr. Rotenberg: Once you are on a parking lot of a shopping centre, you are on private property.

Mr. Breaugh: Yes.

Mr. Rotenberg: I do not think a municipality would allow anybody to park a tractor-trailer on a street.

Mr. Epp: You could rent a shop for one day.

Mr. Rotenberg: That would be caught up. If you are renting a shop for one day, you would be caught up in this. The flea market rents, as they do in parts of Metropolitan Toronto, the corner of the shopping centre parking lot. That is renting

private property. I am just looking for a way to define it. The resident thing can be dicey. A lot of things can be dicey--and I agree with some of the members of committee, that you do not want to get the person who just does a little bit--but what if we worked around a criterion of any person who rents or does business on private property and does not pay business tax would pay a special fee? If we worked on that premise, would that be what you are after?

Mr. Goudie: That is the main thrust of it. If they are setting up a shop--

Mr. MacDonald: But it would also have to be tied to volume of sales.

Mr. Rotenberg: That is the next step. How much of a fee would be charged is something we also have to wrestle with. That is a difficult thing. The point is, as we have now for an itinerant salesman, you can charge a higher fee, and we have already agreed that those people who come in and rent a store for a period of time get a higher fee. We just have not caught the ones in hotel rooms. How do we indicate that we are going to extend that?

Mr. MacDonald: How do you handle that administratively? If you are going to get your information from the sales tax, you will get that six months later.

Mr. Rotenberg: You post a bond.

Mr. Goudie: We have a suggestion for that.

Mr. Park: Yes, we had thought they would have to estimate what they might sell in any particular period of time and post a bond for approximately that amount of money. That, or through the sales tax, which as you have pointed out would create an administrative problem, and a very time-consuming problem. We had thought that the better course would be the posting of a bond based on their estimate of sales.

Mr. Rotenberg: I must indicate to the committee and to the delegation, it is going to be difficult to write legislation that is going to tie a fee to volume of sales. I am not saying we cannot do it, but it is going to cause some difficult. We accept the principle, as the committee has, that those people who come in and rent premises for a short-term sale would have some form of one-time sales permit as distinguished from a licence, and we can figure out a way to get a reasonable fee for that commensurate with the type of business being done.

Assuming we accept that principle, we will work on something like that. As with the itinerant salesman, it may be something we will recommend to remain in the Municipal Act and not be part of Bill 11, because we are leaving itinerant salesmen in the Municipal Act now. We may extend that one rather than putting it in Bill 11.

A special-sale, one-occasion permit is really something

different from a licence and we may leave it different from a licence and leave it in the Municipal Act. I am prepared to say the principle makes sense and we are going to work on it.

Mr. Breithaupt: Another way of dealing with it would be to have the opportunity to charge a licensing fee of up to \$1,000 and you then could have, as a provision in the section, the opportunity to have any excess over a maximum of 10 per cent of the sales refundable, or something like that, which would mean that the person running that--

Mr. Rotenberg: That is in the transient trader section of the Municipal Act now. It is a sort of deposit in lieu of business tax and it is refundable and so on.

Mr. Breithaupt: And you can base that refund on an understanding as to what a fair percentage of the gross sales, as proven by the person--

Mr. Rotenberg: Mr. Chairman, I feel there is a general consensus of the committee and with the delegation and with the Kitchener people who were here the other day, and we agree with the philosophy of it. So if you can leave it with the ministry to try to work something out, we will do our best.

Mr. MacQuarrie: On this, I have a number of concerns with respect to hawkers and pedlars. You have the type that moves in and takes advantage of the situation and the community and all the rest of it, and I agree that something should be done about them. But then you have the little guy who goes down every morning to the market and picks up fresh vegetables and so on, who has contacts with various farmers and gets eggs from them and has a clientele out through the residential communities which he serves on a twice-a-week basis or more frequently.

Mr. Rotenberg: I have indicated that the door-to-door salesman, which is what he would really be, would not be caught up in this because he is not renting premises and having a fixed location. Therefore, he would be dealt with somewhat differently. He would get a straight annual licence. That seems to be the philosophy of it and seems to be agreed upon. He would not be caught up in a special business tax or a special type of licence.

Mr. MacQuarrie: It is hard to classify a person such as that, particularly when he has established an existing clientele as a door-to-door salesman as such. He is going to doors where he knows he is welcome.

Mr. Rotenberg: There does not seem to be a feeling that that person should be charged a punitive fee, whereas the one-time salesman should be charged a punitive fee.

Mr. Chairman: Before we go to Mr. McLean: Perhaps you can be defeated by a very slow-moving van which Mr. Rotenberg's definition will not catch.

Mr. McLean: Mr. Breithaupt touched briefly on what I wanted to ask. It is not really hard to discredit it, but I would

like to find out from the witnesses how they feel about garage sales. Do you feel that garage sales should be licensed, and if so, how would you propose to do it?

Mr. Goudie: The city of Kitchener does licence garage sales.

Mr. McLean: Waterloo does not?

Mr. Goudie: Waterloo does not.

Mr. Breithaupt: It costs them a dollar.

Mr. Goudie: The city has control. They will allow them to have only two garage sales a year in Kitchener. I do not like to throw this into the pot, but when the government of Ontario set up regions, licensing really should have gone to the region and should not have been left with the municipalities, in my opinion. The region should be treated the same all over.

Mr. Park: Regarding the suggestion about garage sales and the licensing of them, I do not think the garage sales per se are a problem to merchants. But a lot of people are complaining about backyard furniture being stolen. I am sure you could walk through some garage sales and buy that. The licensing of garage sales should be more keyed to watching and controlling that kind of an action, because that is happening.

Mr. Chairman: Thank you very much, gentlemen, for appearing before us.

Members of the committee, may we get back to the regular schedule? The fourth group is the Association of Municipalities of Ontario: Catterall, Onley and Dunbar. Are those people here? Mr. Dunbar is to the east and Mr. Onley to the west.

Mr. Rotenberg: And we know which one is Marlene.

Mr. Chairman: Who will be the initial spokesman? Would you carry on? Madam Alderman, how is that?

Alderman Catterall: Fine, thank you, Mr. Chairman.

Mr. Chairman and members of the committee, first let me thank you for the opportunity to bring to you the response of the Association of Municipalities of Ontario on Bill 11.

I am Marlene Catterall, alderman, city of Ottawa, vice-president of AMO and chairman of its legislative and resolutions committee. With me today are Mr. Onley, QC, city of North York solicitor and association counsel, and Mac Dunbar, executive director of the association.

The president, Curtis Carter, mayor of Chatham, has requested that I express his regrets to you. Unfortunately, he had to be absent because of a matter of some urgency in his own municipality.

Municipal governments in Ontario have been waiting a long time for action on the part of the Legislature--

10:30 a.m.

Mr. Chairman: Excuse me, that is exhibit 33. I have interrupted you because the next group is exhibit 18. We do a lot of jumping back and forth in our exhibit numbers. If you want to get out your exhibit 18 for the next group, I will not interrupt again.

Alderman Catterall: We have been waiting for some time for action on the part of the Legislature with regard to change and clarification of legislation pertaining to municipal licensing of businesses. Over the years the association has initiated recommendations and has responded to various legislative proposals with respect to this subject.

On behalf of the association, I am pleased to advise that we support Bill 11 as a very acceptable response to the extensive consultation and reconsideration that has gone on in recent years. The province's efforts to provide municipal governments with the general power to license businesses within a single statute is a vast improvement over the existing authority where licensing provisions within the Municipal Act and other acts are scattered, rigidly categorical and specific and often out-of-date.

The government's first proposal, Bill 119, as introduced in December 1977, was, in the opinion of the municipal organizations of the time, inadequate. As a result, Bills 105 (June 1978) and 157 (October 1981) were subsequently introduced and responded to by the association. As a consequence, we now have before us Bill 11, and it is the association's hope that the point has finally been reached where the proposed provisions can be implemented by the Legislature early in the fall.

The association believes that the legislation has satisfactorily addressed issues which have been raised in the past with regard to licensing of businesses by municipal governments. For example, the general authority of municipal council to license, the delegation of licensing power over auctioneers to counties, discretion by municipalities to partially refund to licensees whose licence has been revoked, the right of municipalities to establish administrative costs to a particular licensing function and to recover such costs within the licence fee--all these are now addressed in Bill 11.

The association's presentation will address the items considered and how we feel the legislative proposals have dealt effectively with them.

The first issue, i.e. the discretion which municipal councils are to be allowed in selecting which businesses should be licensed, has been answered most significantly by the fact that powers to license specific businesses under the Municipal Act have been repealed and new general provisions included with Bill 11.

The provisions of the new legislation are in keeping with

the principle that elected municipal legislators should be given the power over decisions which are purely local in nature and which directly affect the best interests of the citizens of the municipality. The philosophy of "increased authority" to municipal governments to bring decision-making closer to those affected is evident in the proposed legislation.

With discretion over the licensing function, municipal governments may concentrate on licensing only those businesses which are felt to need regulation in the public interest. The vast expansion of business regulation through licensing is not integral to the protection of the public interest.

The fear expressed by some that municipalities will overregulate with the advent of more general licensing provisions may be allayed by pointing out that of the 60 licensing provisions available to municipalities now, most municipalities employ only a very few. A number of examples are shown in table 1.

Municipal legislators are, by the very nature of elected office, accountable and sensitive to both the public and the business community in their political jurisdictions. Access to decision making is fundamental to the municipal government system. Therefore, it can be expected that members of the business community, individually or as a group, will use every opportunity to exercise the right of influence with respect to licensing decisions by the municipal council.

Finally, the general provisions which Bill 11 encompasses would allow municipalities to address new problems without the delay involved in securing legislative authority. This more general approach to municipal licensing has been implemented and appears to be working successfully in Alberta, British Columbia and Saskatchewan.

With respect to delegation: The delegation of licensing power over auctioneers as put forth in subsection 2(3) of Bill 11 is a welcome response to many recommendations given in past reports by municipal organizations. The Municipal Liaison Committee noted in a statement to Bill 105, one of several predecessors to this bill before you: "As for auctioneers, we believe that their licensing by counties and regions would be more practical and certainly less cumbersome, particularly since their clientele usually is attracted from beyond a single 'local' municipality." This provision in the bill should present a most effective way of dealing with what is most often a county concern.

With respect to refunds, one item that had caused some concern among municipalities was the section in past bills which stated that: "Where a licence granted in respect of a business is revoked and a fee has been paid for the granting thereof, the licensee is entitled to a refund of part of the licence fee."

This previous proposal would have forced municipalities to refund part of a licence fee and was not supported by any of the municipal organizations. If municipalities were to be obliged to refund portions of fees for revoked licences, administrative costs would have escalated for the sake of what would no doubt have been

refunds of a few dollars. Partial refunds on \$10 or \$25 fees would hardly seem to be in order since the administrative costs involved in issuing the licences and conducting the inspection would already have been incurred by the municipality.

By replacing this section with the provision that municipalities "may" provide partial refunds, the decision is left to the municipal council which can best judge whether the municipality is able to afford the administrative costs related to refunds.

On the recovery of licensing costs, it has come to the attention of the association that a certain amount of controversy has been raised concerning the question of who licensing fees are to be charged to and in what amounts.

Businesses and business organizations have expressed the fear that the potential for abuse of this clause in Bill 11, which provides for recovery of administrative costs, is too great. Fixed fees or the payment of such fees out of a municipality's general revenue is perceived as a more amenable provision by these organizations. However, this hardly seems fair considering that businesses and citizens of other municipalities are also beneficiaries of the licensing process.

The argument that subsection 2(6) is likely to be abused may be refuted by pointing out the predisposition of municipal representatives to act responsibly, the philosophy of municipal licensing as a regulatory rather than a revenue-producing function and examples of other provinces' municipal revenues from licensing where the division between licensing as a regulatory or revenue-producing function is not clearly defined, i.e. where municipalities are free to raise revenue from licences.

Again, in table 2 at the back of our brief, you will see just how little of municipal revenues are generated from licensing.

As mentioned earlier, municipal councils are required to be accountable to the public, whose best interests they serve. To create this disincentive to the establishment of business within a municipality through disproportionately high licensing fees would not be a responsible action on the part of the municipal council and therefore would not be very likely to occur.

Should a municipal council opt for the cost-recovery clause rather than the \$10 and \$25 limits, businesses can be assured that it will be done with a great deal of care and consideration of all the elements involved. AMO supports this general cost-recovery clause as the right of all municipalities to recover the costs of the licensing process in the pursuit of protecting consumers both within and outside the particular municipality.

10:40 a.m.

Further to the concern over the possibility of high licensing costs, both the Association of Municipalities of Ontario and the province have maintained that the licensing of businesses is for a regulatory purpose and should not be a source of revenue

for reasons other than the costs which the licensing process itself entails. Basically, licences should be enforced to provide citizens with protection against undesirable activities. The intent of this seems to be stated clearly enough in the cost-recovery formula and in the relevant sections of the Municipal Act as it now exists.

It might also be noted that the power to license transient traders remains within the Municipal Act and does not fall within the jurisdiction of Bill 11, largely because this function is not specifically regulatory. Transient traders are charged a fee in lieu of the business tax which permanent businesses must pay as part of contributing to the general revenue of the municipality. Such a separation on the basis of maintaining the integrity of one purpose and one philosophy within a single act, as proposed in Bill 11, seems to reflect clearly the regulatory principle that municipalities will follow.

Finally, it might be pointed out in response to the fear of high licensing costs that in all the provinces across Canada, municipal revenue from licensing and permits represents only a very small percentage of the gross general revenue of municipalities. The use of business licences in place of municipal taxes and the much more general provisions for licensing as a regulatory versus revenue-producing function make the figures for Newfoundland, Alberta and British Columbia somewhat higher than the rest of the provinces. Even with this in mind, one must note just how small the overall proportion of revenue comes from licensing.

In conclusion, what AMO currently sees before it in Bill 11 is a very acceptable and workable piece of legislation. Aside from the fine tuning that is necessary with almost every legislative proposal, Bill 11 is consistent with the association's views and represents a positive response to recommendations and concerns that have been raised in the past regarding municipal licensing. The consolidation of the provisions within one act, the clarification and the refinement of archaic wording and clauses and the delegation of jurisdiction over licensing to municipalities is a vast improvement.

Since the proposed legislation is of direct concern to municipal government, the association would welcome the opportunity to review the final report of the standing committee. It is in a spirit of optimism and co-operation that AMO wishes to offer its assistance and commentary in the hope that this will enable the proposed legislation to proceed without undue delay.

We would be pleased to respond to any questions you may have.

Mr. Chairman: Mr. Breaugh? Sorry, Mr. Rotenberg had a comment first.

Mr. Rotenberg: Just two brief questions. One is on the effective date of the act. The effective date is now January 1, 1983. We thought it was going to be passed this spring session. I would like to ask both you, Madam Alderman, and Mr. Onley, as a municipal solicitor, how much lead time would a municipality need

to bring its bylaws into conformity with the new act? When should it become law after it is passed by the Legislature? How much lead time do you think is necessary?

Alderman Catterall: If it were to be dealt with in the fall session of the Legislature, it would be possible--

Mr. Breithaupt: Early in October.

Alderman Catterall: Early in October--it would be possible to bring it into effect in January. Most municipalities could probably live with that. What you might want to consider is making it effective January 1, but providing municipalities with time until the end of 1983 to amend their bylaws or to pass new bylaws under the new legislation. That would require some provision in the act that existing bylaws are in effect until replaced by the new act.

Mr. Rotenberg: In the light of your final comment about receiving our final report, as you know, with the Planning Act we have indicated to AMO that after we finish clause-by-clause we will have some hiatus period for AMO to look at it.

If we do clause-by-clause in October, as I hope--and I would recommend to the committee that we not report the bill to the House until AMO has had a short period of time to review our final decisions--we may not get through third reading and final passage until maybe November or December, if we take the time to give you a chance to look over our final report.

Mr. Breithaupt: I think it is clear we should remind the delegation that the Legislature will likely not return until October 12 and that several weeks no doubt will be used in the clause-by-clause situation. As a result, if AMO is to have an overview, which I think would be a very useful task, it is not likely that this bill would be completed in the Legislature until the end of November or, in effect, until we leave at Christmas.

To have a bill in place and taking effect at January 1, 1983, is not likely. I am sure you would need, in effect, that year to square things away, with so many bylaws to be involved and to be able to do it in the framework of your other duties as well.

Alderman Catterall: The desirable thing would be to have it in effect as soon as possible, but to give municipalities up to a year to pass a new bylaw under the new legislation and to ensure that their existing bylaws are in effect until such time as they pass the new bylaw.

Mr. Rotenberg: Our legal department advises that most municipal bylaws would remain in force providing they did not conflict with Bill 11. You would not have to re-enact all the municipal bylaws. You would just have to check to make sure they did not conflict with the new bill.

Mr. Dunbar: I believe this technique was used in a previous piece of legislation. I have been trying to remember, and perhaps Mr. Tomlinson or yourself could, but was this not in a

previous bill, permitting municipalities to maintain their present bylaw until such time as a new bylaw could be put into place?

Mr. Breithaupt: With the requirement that it be done in a certain period of time.

Mr. Dunbar: Yes. I think that technique was used before, but I am not quite sure what legislation it was.

Mr. Epp: Was it part of the Planning Act?

Mr. Rotenberg: No, I do not think so. Certain things in the Planning Act certainly would not be repealed.

Really what you are saying--and I do not know if you agree, Mr. Onley--is you would like to be able to work with Bill 11 as soon as possible, but you would need about a year's lead time in order to get everything in conformity.

Alderman Catterall: Some municipalities may need that long.

Mr. Onley: One of the things is that the fees that would be charged under the new bill would be different from what they are now. Most of them are on a calendar year.

If the bill comes in as of January 1 and it does not get up to whatever township and they do not hear about it until April or May, in the meantime they have collected under the old bylaw. There just is a time that it takes.

Mr. Dunbar: As we said in our brief, it is not a revenue-producing item. It is meant to be a regulatory item in most instances. I would think the small municipalities will not have difficulty. They will probably go with the same provisions they have had in the past. The larger municipalities which have become more sophisticated with their bylaws will need the time.

Mr. Onley: Actually one of the major changes in the bylaws will be the matter of fees. I do not see that there is going to be that much in a bylaw regulating the licensing of dry cleaners. You are not going to be changing the bylaw very much.

Mr. Rotenberg: The other question I wanted to ask the delegation is on section 1, the definition of "business" in this act, which is very wide. We had representations from the Board of Trade of Metropolitan Toronto, the Canadian Manufacturers' Association and so on that we should nail that definition down somewhat, because I do not think it is the intention of any municipality to license General Motors or John Inglis or any of those particular types of manufacturers and so on.

The suggestion was made that we specifically nail the definition of your powers to those businesses which deal with the public, with consumers or that type of thing. They do not feel that the major manufacturers should be licensed and the municipalities would not want to. What would be your comment on narrowing the definition of business that nails your powers down somewhat?

Mr. Onley: My concern was the manufacturer or industry. An industry that manufactures may sell very little in the municipality. General Motors is a pretty good example. They make a lot of cars but they do not sell all of them in Oshawa. As you indicated, it is dealing with the public. The manufacturing aspect does not seem to me to be relevant. They do not pay business taxes.

Mr. Rotenberg: So you would not really object to narrowing the definition as long as you can get everybody who deals with the public in some way?

Mr. Onley: I think you have answered it there; it deals with the public.

Alderman Catterall: I guess I see no reason for narrowing it, though, because the history of municipal licensing within the confines as it exists is that they have not licensed anywhere near the number of business that they could. By narrowing the definition, you probably start departing from the principle of the bill of providing municipalities with full authority.

It has been very clear that you do not go out and license a lot of businesses because you are not making money on doing it; in fact, it is costing most municipalities money to license. So you do it only when it is absolutely necessary. I do not think restrictions in the legislation are necessary to continue that kind of responsibility that has been exercised in licensing, to do it on a very limited basis.

10:50 a.m.

Mr. Mitchell: If I may follow that, Marlene, AMO does support this bill, obviously. It is quite clear in the statement. I think it would be the position of AMO that they would like to get the bill passed with as much support as possible. The concern that was expressed by the Canadian Manufacturers' Association was they just felt there was something in that bill which would allow the municipalities to come in and, say, demand of Lever Brothers a licence or whatever, manufacturers who do not deal directly with the public per se. General Motors manufacture cars and, sure, I have heard that you can buy direct from the factory, but for the most part they deal through dealerships which are licensed businesses operating within the municipality.

It was their concern that if the thing could be amended so that it clearly pointed the finger at manufacturers who do deal directly with the public, they then--at least my feeling was that they could live with it.

I recognize your point as well, that the municipalities are pretty reasonable people and would not be apt to want to go that far. But seeking support for the bill and trying to get the legislation through, surely it is not an issue that would create any problems for AMO?

Alderman Catterall: I am not sure and I guess I would like to ask Mac to comment on that from a longer experience of dealing with the bill through several versions. I would just be

concerned that by limiting it you are in fact simply opening the door for a problem that identifies itself, and I am simply not thinking of General Motors down the road. A variety of small manufacturing operations might in fact create problems.

Mr. Mitchell: If I may just follow that, part of the concern was that, as you know, there is a section in the act which allows municipalities to charge the costs of what it costs them to license, i.e., through inspection and so on, and the question then came up in those discussions that most municipalities probably would not have people on staff who could go and investigate boilers or whatever--and we are stretching it obviously--but they might wind up in some very expensive consultative business. Speaking for myself, I felt the manufacturers made a good point. I would appreciate hearing what Mac has to say.

Mr. Dunbar: I really cannot see why a municipality would want to inspect a particular manufacturer unless it was of the nature that it was selling to the public under the guise of manufacturing. I think that is what concerns some people, not so much in the smaller municipalities, but you would have within the larger municipalities, and I will not use the phrase--well, I will I guess--sweatshops or something of that nature, where the person is actually in the retail business but says he is a manufacturer.

Mr. Brandt: On Spadina you get that kind of problem.

Mr. Mitchell: But as I understand what is being proposed, the change really would address that particular problem.

Mr. Dunbar: It probably would. My experience with this particular aspect of covering manufacturers is that the association prefers the wider scope, but I cannot really foresee any problems of taking manufacturers out, except in those unforeseen instances.

Mr. Rotenberg: For instance, something like Factory Carpet, which is a manufacturer and sells to the public, would be eligible to be licensed because it deals with the public.

Mr. Dunbar: I do not know. Is he a manufacturer?

Mr. Rotenberg: There are some manufacturers who sell to the public and the proposal will not take the word "manufacturer" out of the bill but the proposal was to say anybody who deals with the public would be eligible to be licensed, to catch the manufacturers who--

Mr. Mitchell: Factory direct sales.

Mr. Rotenberg: Factory direct sales would be caught up.

Alderman Catterall: It seems to me the risk there is that you are starting to narrow it down so far that you are saying only retail businesses.

Mr. Rotenberg: No, no, not retail. I am not saying retail. Marlene, you will notice I did not use the word retail

because there are many people who claim to be wholesale who sell to the public as well.

Mr. Dunbar: This would be manufacturers who sell either directly from the location or other mechanisms.

Mr. Rotenberg: I really wanted to question the philosophy of narrowing it down, providing we leave it broad enough to catch everybody who deals with the public.

Alderman Catterall: You will only know you have made a mistake if you start getting applications for special legislation to deal with problems. Before you deal with that, I would ask you to consider what possible incentives there would be for a municipality to license a business unless it were to control a problem. It just is not there in the bill.

Mr. Mitchell: That is recognized.

Mr. MacQuarrie: One example was cited yesterday with respect to a rubber manufacturer. Time and circumstance have forced him to the heart of the residential community and the city involved has indicated it will use every effort and every means at its disposal to so control that industry as to make it awkward for him to continue to operate.

Alderman Catterall: Yes, but that is covered under the Planning Act and there's no problem.

Mr. MacQuarrie: I know it is an nonconforming use under the Planning Act but, under the licensing provisions here in Bill 11, the representatives of that particular undertaking saw the potential of the municipality using this legislation to--

Alderman Catterall: Municipalities are always very sensitive to what may happen to them in court if they revoke a licence unduly.

Mr. MacQuarrie: Municipal councils are also very sensitive to having a hundred ratepayers come in, on the one hand, and one poor guy come in on the other.

Mr. Mitchell: The proposed rewording of that particular section has not been drafted yet. It is only a feeling that I think has been expressed by the committee, and some interest or concern has been expressed by the parliamentary assistant. I suspect they will do a rewrite of that clause when it is available to this committee for clause by clause. I suspect by that time the ministry will probably have circulated it, although perhaps we will not be hearing witnesses, but at least you will have an opportunity to comment on the changes in the clause or various clauses prior to the final resolution. So I think we are talking here of a concept that we have not really resolved into final words.

Alderman Catterall: And you have some of our concerns about how you might develop that.

Mr. Brandt: I wondered if the Association of Municipalities of Ontario has given any thought to the problem of hawkers and pedlars, itinerant salesmen, in the context of perhaps incorporating them within Bill 11 to strengthen the control the municipalities might have over that rather difficult field. We have talked about it at great length here in this committee and really have not come to any conclusions yet as to what may be the best vehicle to control them. Had that come up in your discussions or in your study of Bill 11?

Alderman Catterall: We have primarily kept away from the specifics of the bill and tried to address the general principles. You will be hearing more on specifics from individual municipalities, as you already have from the business association that was here just before us. I guess, as far as the general principle goes, the more flexibility there is for a municipality to exercise its responsibility the better.

We did refer to the provision for transient traders and felt it was good that it was being left in the Municipal Act. It is a different kind of licensing, strictly trying to regulate, because it does set a fee that relates to business tax. I think you might want to consider the same kind of treatment with hawkers and pedlars. I know many municipalities are trying to do that. They recognize that people are operating in competition with their established business community and want to make that competition at least fair. You might want to comment on that.

Mr. Brandt: That is the very point. Do you feel that the present situation, where it is within the Municipal Act, as opposed to being incorporated in Bill 11, makes it stronger or weaker? The situation I have perceived to be the case is that most municipalities to date that have made any submissions to us have not commented on this, until we ask the question whether the hawkers and pedlars are a problem in their municipality, and almost unanimously they say "Yes."

They are concerned about the unfair competitive aspects, the fly-by-night sales people, the guy who comes into the community very quickly, takes a lot of money, runs out and goes back home, or whatever. The controls over that type of individual really are, in my view, less than adequate at the moment in many respects.

11 a.m.

Mr. Dunbar: You might be interested in knowing, when we were doing some background to this, that we talked to one municipality not too far from Kitchener-Waterloo which was using zoning to prevent sales in hotels.

Mr. Rotenberg: Which is quite in order--

Mr. Brandt: Yes. It is an interesting technique.

Mr. Dunbar: I don't suppose it is unreasonable to tell you it was the city of Guelph. There was the usual group of paintings to be sold in the Holiday Inn, which was prevented, as I understand it, by the application of the zoning bylaw, which did

not permit the Holiday Inn to conduct a sale in this manner. One wonders about the application of this technique to any type of business rental, in halls and so forth, and whether it might be a solution.

Alderman Catterall: Except that many of these sales take place in a rented commercial premises or on the streets.

Mr. Dunbar: That's right. But they were able to stop it in the Holiday Inn. It is something to look at in terms of that problem.

Mr. Rotenberg: If you can stop it in the Holiday Inn, you can stop it in parking lots, etc. I think that sort of thing can be done by zoning.

Mr. Dunbar: I would think you would be able to stop it in a parking lot.

Mr. Epp: Excuse me, Mr. Chairman, on this same topic, would they be able to stop it if there were other shops in that particular hotel? Could you stop it at the Royal York where they have dozens of other shops, or can you just stop it--

Mr. Brandt: Or in a mall, in effect.

Mr. Epp: Yes. Can you just stop it in those (inaudible)

Mr. Dunbar: That is something I suggest would be looked at in terms of zoning. Charlie might know something more about that.

Mr. Onley: I would imagine if Sotheby's came to the Royal York for a sale, there would be some concern if you tried to stop it. I just wonder what the problem is. What is the evil you are seeking to overcome?

Mr. Rotenberg: As we discussed previously, Mr. Chairman, you can, under zoning, say that hotel rooms, except for the first floor, cannot have retail sales. You can say that hotel rooms only in designated areas can have retail sales on a site plan situation. You can do it by zoning. You can prohibit it. Rooms that are normally for rent cannot be used for retail sales. It can be done by zoning.

Mr. Epp: It can be done by zoning, but at the expense of keeping out legitimate people you may want put in there, and that is the problem. Are you going to keep them out on the mezzanine or things of that nature?

Mr. Rotenberg: You can simply by zoning bylaw designate the areas of a hotel that can or cannot be used for retail sales.

Ms. Catterall: That only deals with one aspect of the problem, though. I am sure you have heard it is much more widespread than simply sales out of hotels or public halls.

Mr. Rotenberg: I am not saying that is the answer. I am

saying it can be done by zoning if a municipality so chooses. But Mr. Epp is correct. It does need discretion.

Mr. Dunbar: It depends on what the municipality is after.

Mr. Chairman: Mr. Brandt, do you have other questions?

Mr. Brandt: Yes. The other question I had was on a different matter, Mr. Chairman. It was in regard to the fees. You made some comment in the last part of your presentation about the fact that fees are relatively insignificant in the total context of a municipal budget. We made that point earlier with some of the groups that have come in arguing that municipalities are going to go out and license a whole flock of new businesses and are going to use this to raise revenues. In fact, quite the contrary appears to be the case.

In some of the municipalities that we have seen numbers on, the actual revenue that will result from Bill 11 will go down, in some cases rather dramatically, as a percentage of that particular number, not in the sense of being a major concern in the overall budget. Whatever number you deal with is a small percentage and if that is cut, it is still a reduction on a very small number. In your deliberations, and I know, having served with the Association of Municipalities of Ontario for a few years, you usually go into these things in substantial detail--

Alderman Catterall: Great detail.

Mr. Brandt: Great as well as substantial detail.

Alderman Catterall: Great care.

Mr. Brandt: Care as well, yes. Do you want to add any more? I was wondering if the potential reduction in fees is of concern to you. I ask the question as well to get your comments on the record, because we may, in some instances, have to use them to respond to some others who are arguing the other case, that you are going to make a lot of money on this thing, because I think it may well turn out that you are going to lose money on it.

Alderman Catterall: I think that right now licensing costs most municipalities money, because you have to be fairly circumspect in fees you set on businesses; you want to encourage business in your community, not discourage it, not make it more difficult for them to operate.

I spoke to a number of municipalities within Ottawa-Carleton in the last week and I know that Ottawa, for instance, is covering its direct licensing costs but not covering any administrative costs associated with that. Nepean, for instance, is collecting \$35,000 on dog licences and only \$45,000 on all other businesses it licenses. So business licensing is not business for municipalities; it costs us money now, and I do not think it would be any different under the new bill.

There are so many other factors that come into how much you choose to charge for a licence. You quite carefully take into

consideration how much of a burden it is on a business and this sort of thing, and you try, if possible, to stop licensing businesses if there seems to be no reason to continue doing so.

Mr. Dunbar: The city of Welland, for example, has reduced just recently, taking three of its licences out of its provisions, because they felt it was not necessary. I am not sure of the categories they took out, but it might have been tobacconists, for example. They felt no reason to license that area for the \$10 or whatever they got out of it. The emphasis they are putting on it is on the regulatory aspect.

Mr. Chairman: Mr. Brandt, is that it?

Mr. Brandt: I think Mr. Epp had a supplementary, and then I have another question.

Mr. Epp: It has to do with fees and it has to do with the general licensing provision in here. A lot of fears have been expressed by the Canadian Manufacturers' Association, the Toronto board of trade and a lot of groups with respect to the licensing generally; and it certainly touches on fees, too, because you are not going to make any money on them, as you have indicated, Marlene. Can you suggest anything the government can do to help dispel those fears out there that municipalities are going to overexercise their supposed new rights to start licensing everything they can?

Alderman Catterall: I think we have done that by showing how few of the things they are now entitled to license they would license, if you look at table 1, and I do not know why it would be any different if those powers were expanded.

Mr. Epp: I know, and I appreciate those figures. I think they are very helpful.

Mr. Brandt: Yes. We could have used them earlier in the meetings, because I think they would perhaps have refuted some of the arguments that were being raised on the other side.

Alderman Catterall: We tend to try to pull out of licensing as soon as possible if the problem has been corrected or if other regulations come in that control a particular business problem. We try to get away from it because it does cost us money, and I cannot think of any better demonstration of that than the experience we can get from any municipality.

Mr. Epp: There is the perception out there--and I do not want to take your question away from you, Andy, pardon me--but there is the perception, as has been expressed a number of times, that municipalities are going to get additional powers and that now they are going to jump on people or on whatever group there is in order to get an excuse to license them. I think that is ill founded, but I am looking for something, or the committee is looking for something, so we can persuade them that this is not the case.

Alderman Catterall: You have a very clear provision in your act as to limits on what we may charge for licences, so every time we do choose to license it is going to cost us general administrative dollars.

Mr. Brandt: That is the next question you get. You see, there is a recovery factor in the bill, which allows you to recover cost. There are certain areas that are perhaps a little grey in my own mind with respect to what the total cost of the municipality in charging for inspections actually consists of.

To use Mr. MacQuarrie's earlier argument about the rubber company and the 100 irate citizens in a residential zone that has grown up around a company, or whatever the case might be, where it may be a legal nonconforming use and the zoning does not allow the municipality a mechanism to get rid of that company. The triangle in Toronto is an example of where you have got that kind of pressure between two groups that are--

11:10 a.m.

Mr. MacDonald: The stockyards.

Mr. Brandt: The stockyards are another one.

What is to stop a municipality from harassing through a legitimate investigation or inspection of a particular business on a continuing basis, charging for that and running up a tab that in some instances may be prohibitive for a particular business? Do you feel there is sufficient balance in the bill to stop that kind of thing?

Alderman Catterall: I do not think there is anything in the existing legislation to stop us from doing that, and yet I do not think it happens or you would have heard about it.

Mr. Brandt: You do not have the rights of certain inspection; there are certain limitations on a municipality. Other levels of government can go in: occupational health and safety, labour standards, workmen's compensation, etc. There is a long and--

Mr. MacQuarrie: The owner does not pay for every inspection under the liquor laws, either.

Mr. Brandt: Right.

Do you understand what I am saying? Again I am getting back to Herb's question, which he stole from me, by the way. The question is really one of balance. Frankly I do not think the municipalities are going to do it. I truly and honestly believe they are responsible enough that they would not use it as a mechanism. But if a vendetta sets in, as sometimes happens between a company and a municipality that have had some bad relations for any number of reasons, so that you are going to get those guys and you are going to look to get them with whatever mechanisms might be available to you, is this one that might be used for that purpose?

Mr. Dunbar: I suggest that I thought the licensing provisions and the recovery of administrative costs were done by business sectors, and therefore it is not a charge directly back to a particular industry that you are attempting to "get." These are established at the beginning of your bylaw, and they are done by sectors. If it is the taxicab industry, then it is a sector licence fee.

Mr. Brandt: In a small municipality one company could be the entire sector, even using that argument.

Mr. Dunbar: So do you alter that bylaw in the middle of the course of the year to get--

Mr. Onley: If I may, I think one of the answers may be analogous to it. There is a big farm in the south part of Simcoe county, and they passed a bylaw--I am a little hazy on the particulars; maybe Mr. Tomlinson will be able to help me--that had the effect of cutting them out of business. They went to court, and the bylaw was thrown out because it was directed at that one piece of property. I would imagine the same thing happening--

Alderman Catterall: That was my earlier point.

Mr. MacQuarrie: I have a supplementary relating to the licence fee aspect, particularly section 2(6), where you have the provision for recovery of costs. I am concerned about the actual mechanics of application of that section.

It is related to actual costs during the year. We have a municipality setting its budget in January or February. Presumably there is an item in the budget relating to licence administration costs, and on the basis of those costs, then, they establish their licence fees. They have no idea at that point what the actual cost of administration for the year is going to be, and yet we have the fees charged in a year under the bill relating to the actual costs incurred in that year: no provision for recovery of deficits, no provision for really balancing these to fit the actual costs incurred. What do you think of that section?

Mr. Onley: In my particular case, one of my senior positions is that I am in charge of the dog pound; I am also in charge of bylaw inspectors. When one analyses the cost of one inspector with a car, a secretary, a telephone and a desk, we will have to collect a lot of fees to pay that back.

You see, one of the further difficulties is how you assess that across. I mentioned the tobacco licence earlier. There is \$5 or \$10 in it, and you never inspect them. But you have a restaurant, which you have to inspect regularly, not as a vendetta but just as part of public health requirements.

Mr. MacQuarrie: I was wondering how the strict wording of that clause would apply in actual practice?

Alderman Catterall: I think it is just a question of doing your estimates at the beginning of the year, as you do for any other operation, and you try to tailor the fees to cover your

costs. Some years you may be slightly off and collect a little bit too much in licence fees; you cannot predict how many licences you are going to issue. But you try to balance it off each year. If at the end of a year you have collected so much more and had a surplus, then next year you do not raise the fees.

Mr. MacQuarrie: It says you may set your fees so that the amount collected equals the actual cost for that year.

Mr. Onley: It is a difficult one. Speaking personally, I would not have any difficulty because the budget is usually very closely followed. You are not out five per cent. But without sophisticated computer printouts, I can see the problem.

Mr. MacQuarrie: How would you treat an unusual expense incurred with a licensing bylaw? For instance, would a lengthy prosecution come under general expenditures, or should it be chargeable to the licensing function? Is it fair to charge that to the general ratepayer?

Mr. Onley: The definition includes enforcing.

Mr. MacQuarrie: That is right. I would be inclined to think that possibly the licence fees should be adjusted to meet the actual cost in the year just preceding so that you have some firm base on which to start.

Mr. MacDonald: One of the earlier witnesses suggested a philosophic concept that resolves this difficulty in my mind to some extent. Their contention was that the cost you attribute to licensing is the inspection for the licensing itself. All the subsequent inspection is really for the protection of the community and therefore legitimately goes on general revenue.

Alderman Catterall: Not necessarily. It depends on the business. Many businesses are licensed for the protection of their clients, to ensure them of a certain quality of service and a certain quality of environment in which the service is delivered. Therefore, it is only fair that the customers, through their charges for the goods or services they are purchasing, should be paying the licence fee and any attendant costs that go with that. That is not for general protection.

In many cases you continue licensing because the operators of the business want the licensing. Electricians and plumbing contractors, for instance, want their businesses to be licensed. It is in their interest as operators of those businesses that you license, so certainly the philosophy or the principle that that should be attributable to general revenue does not carry through.

Mr. MacDonald: It may be presumptuous on my part, but I suspect the earlier witnesses would have included in the protection of the community, consumers of the product. You draw the distinction that whatever is required by way of inspection to make the licence, that goes on the licence fee; whatever by way of continuing inspection or whatever, legitimately can go on to general revenue.

Mr. Dunbar: I do not know whether the committee has looked at the Smith report on that section. Chapter 17 deals with the justified level of licence and permit fees. They were very strong in their recommendation that where persons are in business, it is reasonable for them to seek to recover their costs from the customers who in turn can generally be said to obtain a benefit through the existence of control.

They felt the cost of processing applications, the issuing of licences and permits, carrying out inspections, regulation and other forms of government supervision or intervention which flow from the decision to institute controls, should be paid in the first instance by the persons brought under that control. There is a whole chapter on licensing and permits in the Smith report that you might want to take a look at.

11:20 a.m.

Mr. Breaugh: The committee, like the Association of Municipalities of Ontario, is generally disposed to this bill as being something that is overdue. There is a lot of work which needs to be done on it, but we have uncovered in the course of the hearings some rough spots. Let me try to drag you over those and get your reaction to them.

The first one, and one of the more contentious parts of this, is that there are several places in this bill attempting to react to what could be described as some municipalities trying to determine what is a desirable activity in their community and then reacting to that. Examples would be video games, strip joints, the Saturday sale in the Holiday Inn, things like that; all of which are places where municipalities are stepping into the arguments in any community about what is morally right, what is good business practice and things like that.

The common theme would be that there seems to be very little question that the activity in question is legal. It is a judgement beyond that which is being made. In some municipalities, apparently, video parlours are really abhorrent and in other municipalities nobody is aware of the problem. In some municipalities the council is deciding what is obscene and what is not. It is doing so in a rather obtuse manner but none the less it is doing that.

Could I get your reaction to whether municipalities really want to get involved in that process? Do they want to be making judgements about what we all identify as being legal transactions in your community but making the moral call, the value judgement about whether that is a desirable thing to have in my community or not?

Alderman Catterall: Those are the kinds of judgements municipal governments make every day, whether it is passing a zoning bylaw or deciding what is permitted or not. That is precisely the business we are in in many areas that are already municipal responsibilities.

There is no reason to think that as municipal legislators we

are any less responsible in carrying out those functions than any other level of government. At the same time, there is every reason to think that we are much more responsive, in fact, to what a community wants. If there is a function that is desirable within a community, it will be there. If a business or a group of businesses feel that they are being unfairly treated, the response to their concerns is fairly immediate with the municipal council.

Mr. Breaugh: So you are not uncomfortable with playing that role, even though, for example, in the case of the one-day sales, probably I think it is reasonable to say that--as the delegation from Kitchener just this morning was making the argument--you are going to have some downtown business people who are probably violently opposed to somebody coming in and offering bargain-basement prices. There may be a couple of hundred people in your community who have a legitimate argument that that is unfair competition, but you may also have 80,000 citizens out there who rather like the bargains that come in. You are prepared to stand in the middle of that and make your choices and stand or fall on whatever they are.

Alderman Catterall: I do not think you heard the Kitchener people say they do not want the competition. What you heard them say was they do not want unfair competition, and they specifically do not want to have to be in a position of having economic responsibilities in the municipality that these other people do not have on the same basis as the businesses in that community.

Mr. Breaugh: I take it that most of the municipalities are prepared to make those judgement calls in those areas as they would be--as you put it--in planning matters and things of that nature.

There is another area where we have had a little bit of difficulty judging. The bill appears to cause a bit of a problem in that municipalities will do the licensing and then subsequently will hear the appeals. So we get the unusual phenomenon occurring of a person who is saying "Yes" or "No," being asked a week or two later, "Do you really mean 'yes' or 'no?'" We are not sure that the mechanism that is proposed in the current bill should be altered in some way or clarified so that it is a little fairer.

A number of people have put to us that it is pretty unreasonable to go to a municipal office and get your licence to operate and then subsequently they say, "No, you cannot operate." Then you have to go back to the same place and make your arguments. They would like to go to another tribunal, perhaps to the Ontario Municipal Board or whatever, or to identify a tribunal or agency that is operating in that area and designate that as the one to hear the appeal.

Alderman Catterall: I am sure Mr. Onley will have some comments on that, but it is not an unusual phenomenon. It is exactly what happens now with respect to licensing taxi drivers or whatever. That is particularly onerous because somebody's ability to make his livelihood is at stake. I think it is distinct from other processes where there are appeals to other bodies. When you

are making planning decisions, for instance, you are acting legislatively. When you decide whether to administer or not administer and issue a licence, you are acting administratively.

Mr. Onley, do you want to add anything to that?

Mr. Onley: I would just add that there is nothing unusual about it. For instance, in a hearing before the labour board, if they act within the scope of the jurisdiction there is no appeal. It is tough if you are the ox that is being gored.

Mr. Breaugh: Nobody I heard during the course of the hearings was arguing that this has never been done or that it is unusual. They are arguing that it is not reasonable and it is not fair. For example, if I went to court over some particular charges and if the judge made one ruling, I would be a little unhappy if somebody said to me that I had the right to appeal but the appeal meant going back before that same judge three days later. That is the unfairness that people are pointing out in the legislation. They are looking for some other mechanism.

It is not true to put that across the board, but there were some arguments made in here that on certain occasions the council may not have made the right decision. You are really asking that council to reverse its decision. For a lot of things there does not seem to be much difficulty with that, and my municipal experience would seem to indicate that most of the time a council can handle that. If somebody has some new evidence or you want to go from a committee of council to the full council you can do it. But there were people before us making the argument that that is unfair and they felt that in their instance they needed some other place to go other than back to the council.

Alderman Catterall: To go back to the earlier point, councils are very responsive. If a business organization feels its members are being treated unfairly, the response from a council is fairly rapid to hear a case and to hear it thoroughly.

Mr. Breaugh: Just to put the other side of the argument, for example, the easiest one would be the video games or mobile signs or whatever. There were three or four groups here like that. They were making the argument that a municipality, through its council, had set out some bylaws which really worked against them. It was an uphill battle. The municipal council had decided its course. They had said, "Video games are bad for our community. We are against them. We are going to set out some zoning bylaws and some licensing bylaws which are adamantly against video games."

To send a video operator back into that particular council on an appeal basis is a bit nuts. Everybody in the world knows the direction in which that council is going. You are going before a hanging judge saying, "Don't hang me." Your chances of any fairness are a little on the limited side. Whether the council is mean or fair or whatever, that is the argument.

Alderman Catterall: There may be other legal recourses. I guess all I can say is that the responsibility a municipal council takes on as an elected body is to make those judgements

and to try to balance off the interests of a particular person, group of people or business against the general community interest.

Mr. Breough: At best we can say we have identified a real conflict there between the municipal position and others. Let me try a couple of other problem areas. A number of people have pointed out to us that throughout the bill there are a lot of occasions here where there is a kind of double jeopardy. People are being licensed by another level of government. Standards are being set by the Ministry of Colleges and Universities, Ministry of Transportation and Communications and a variety of the ministries.

This appears to lay on them a second layer of licensing requirements which may have to do with standards and training and proficiency in a field. They are claiming that that is double jeopardy, that we are already overregulated, licensed and all of that stuff by somebody else, and we do not need a municipal council to do the same thing.

The logical thing is that a municipality, in my experience, if it did not know anything about an electrician's training, for example, would most often say, "Well, we are just going to simply take the provincial standards set by the Ministry of Colleges and Universities and that will be our standard too." So there is an elimination. Would it be an unreasonable thing to say that it is kind of a guiding principle when we go through this clause by clause that we try to sort out places where there is clear overlap and double jeopardy and try to come to one set of standards instead of letting there be occasion when there could be two or more?

11:30 a.m.

Alderman Catterall: If there is indeed duplication, I think you would seldom find a municipality wanting to license. I will take electricians as an example. The city of Ottawa licenses electrical contractors. The Electrical Contractors Association of Ontario wants us to keep on licensing them as a business to ensure that only people properly qualified at the provincial level are operating that kind of a business within the municipality, so in fact it is a different function from the provincial examinations, for instance.

Mr. Breithaupt: So they are using you to control or at least to inform them as to what the market is in their own self-interest, which is just fine, and the city of Ottawa is prepared to accommodate them by having that situation.

Alderman Catterall: It serves two functions. It ensures that people who qualify according to provincial standards are the only ones who practice that business in a municipality. There is a distinction there between their qualifications as tradesmen and their operating a business. That is where the municipal function is. I think that is true of other regulations. I heard the earlier arguments about the restaurant and so on. There may be 20 or 30 specific tests the business has had to meet, before it has been

set up, and the licensing is only there if there is something that all these others combined are missing.

Mr. MacQuarrie: --automatically flow from provincial approval if an electrical contractor meets the standards required for a master electrician or whatever by--

Alderman Catterall: We would not say, "No, you are not a master electrician."

Mr. MacQuarrie: What if you decide to pull a licence on a contractor, for one reason or another?

Mr. Breithaupt: You do not decide on competence or attempt to do that.

Mr. MacQuarrie: The bill permits the municipalities to determine competence.

Mr. Breaugh: To be a little more specific, I am really concerned that we attempt to avoid problems here by looking at places where we might be putting people in double and triple jeopardy and sort that out now. I just want to test the waters with you. I suspect most municipalities would not have an objection to that. There is pretty clear, rapid consensus in most of the examples I can think of and the municipality would not have an objection. They would not want to retain a right to lay on an additional set of standards to an electrician, a plumber or whoever.

Alderman Catterall: No. I would want to look very carefully at these kinds of areas you are talking about, because if a municipality is licensing, it is only licensing an element that is not picked up by some other level of regulation. You may have the impression that it is, and if that were true, a municipality would not be bothered to license.

Mr. Epp: Can I just ask a supplementary here, if I may, Mike? Would you want something written in the act here that would prevent municipalities from getting into those areas?

Mr. Onley: If I could respond to that, the difficulty you would be faced with is you would have to put so much in the act. I would think there would be a protection. For instance, if a fellow has a mechanic's licence for a garage, to work on cars, I do not think you can put in a licensing bylaw that he must also have a degree in mechanical engineering. It is a difficult area to describe, but it would seem to me an easy one to recognize in that the "qualifications" for a licence are different from being qualified to carry out his trade.

Mr. Breithaupt: You do not intend to get into that competency thing in the ordinary case.

Mr. Onley: I doubt if we could--

Mr. Breaugh: That is my concern. I would doubt there are any municipalities out there who really seriously want to get into

deciding competency because they are not equipped to do that. They would prefer that if there were a provincial standard, it be uniform, and perhaps we might do something like that.

Mr. Epp: You would not want the public inspectors telling you whether you are a competent lawyer or not.

Mr. Onley: They question that all the time. I do not see that it makes a difference.

Mr. Breithaupt: Now they might be able to do something about it.

Mr. Dunbar: I might add something. Before I came with the association, I operated at the Better Business Bureau in the city of Windsor for nine years. There are people we will never be able to protect the consumers from, and they are the persons who pop in and do driveways, chimneys and so forth. But if a person is in the community for a period of time, usually a file is developed. If the Better Business Bureau of a community or the chamber of commerce wants to turn that file over to the municipality, and it is an overwhelming file, then I would suppose that the municipality would call the person in and have a discussion with him.

Mr. MacDonald: Under competency, you have been talking about tradespeople who are licensed. You can get into a lot of areas like putting siding on a house, asphaltting of driveways and things like that where it is unskilled labour.

Mr. Breaugh: It is not supposed to be, but it is.

Mr. MacDonald: My colleague says it is not supposed to be, but it is. On occasion there may be areas where you have licensed a contractor, but he has people who are doing the job and they are not doing it correctly. As I cited yesterday on the used car experience I had years ago, the Better Business Bureau was the repository of all the information you needed for indicating what had to be done.

Alderman Catterall: I just want to say that there are so many different layers of areas--the electricians and plumbers thing is kind of clear, but there are so many different areas where other kinds of regulation apply to a business that if you started trying to sift out all possible areas of overlap, you could be writing four more bills.

Mr. Breaugh: No, I would not think we would want to do that, but I think we would want to simply clarify what I understand the law to be, that a municipality cannot overrule the province in establishing health and safety guidelines, environmental problems and things like that.

Mr. Onley: Legally, they cannot do it now.

Mr. Dunbar: I do not think they could do it.

Mr. Breaugh: Yes. That would be the guiding light.

A number of people--and oddly enough it turns out to be business more than anybody else--have been before the committee screaming about regulations in the first breath and in the second breath asking for more regulations to protect them. We have some difficulty, going through this bill, making the traditional distinction of the right and the necessity of a municipality to regulate but not prohibit. Do you feel this bill in its current state makes that distinction clear enough?

Alderman Catterall: I think I would ask Mr. Onley to comment on that.

Mr. Onley: Yes.

Mr. Breaugh: You like it in this state?

Mr. Onley: Yes.

Mr. Breaugh: Let me go into one final area. A number of people have touched on the matter of licensing industry. Municipalities have traditionally held a lot of controls on industry through planning and building permits and a raft of other things. The one area where it occurred to me there often are substantial problems--not often, but regularly--is with industries in communities where they cause a problem and it escapes the municipality's power really to do much about it.

Ones I can think of in my experience would include heavy industry which occasionally would do a little midnight dumping on us. They would fill our sewers with substances of which we had no knowledge or control. It seemed that we were a little on the powerless side there to do much about it.

This bill, in its current state, would say that municipal council could license that industry. If they were dumping stuff into my sewers and did not want to tell me about it, but my works department came in and said: "We now know who dumped that stuff in last night. We now know why everybody down on Farewell Avenue says: 'The joint is really stinking this morning. We are not sure why our eyes are watering'. My works crew tells me exactly who dumped it last, at what time and perhaps can identify who it is," I was often in the position that I could not do a damned thing about it.

I could phone Toronto and get somebody from the Ministry of the Environment to come down, inspect and do this, that and the other thing, but my municipality in itself was rather powerless. This bill in its present form seems to address itself to that, and yet I hear a lot of backing away from that. They say: "Oh no, only if they sell to the public. Only if they do this, that or the other thing."

In my background experience in this, I think the bill reflects a concern of municipalities that they often get themselves into a bit of a jackpot like that with no control over the industry at all in certain segments of it. It is not here by accident, it is here by design. I would like to get your response to that.

11:40 a.m.

Mr. Onley: Dealing with a specific example, the sewer bylaw, we have successfully sued four or five industries for doing that very thing. The sewer bylaw is the control.

Mr. Breaugh: Okay. But in my municipal experience, that was not satisfactory. The solution to people on Farewell Avenue was not to go down and say, "We are suing this company." What they wanted to know was how you were going to stop them from dumping that stuff in the sewer last night and who is cleaning it up. It is fine.

In my municipality, solicitors were always quite happy to go off to court on this. It was new and different and a bit of a challenge, but people on the street were not very happy with that solution. We often had to say to them: "Listen, there are limits to what the municipality can do. We cannot call them on the carpet. We have to do so very indirectly. We can go to court. We can call in the Ministry of the Environment. We can do a number of other things."

When I first saw that licensing provision over the industrial sector in here, it struck me that was a reflection of a request of a number of municipalities to have some handle on them as they would on a planning matter.

Alderman Catterall: You are identifying exactly the caveat I had on the earlier question about redefining and taking out any manufacturing or industry. You only regulate when there is a need to do so. The ability to do it when the need is there is very important. I am very reluctant about moves to narrow it down, having got this far with the bill.

When it comes to the industry or the business itself, clearly, if you remove a business licence in a damaging way, they have claims against you, and the municipality is not going to act irresponsibly. Charlie, you might want to amplify on that.

Mr. Onley: Only to the extent you are dealing with a different--the analogy is to the qualification of the plumber. There are rules. You can have municipal rules, including environmental. The environmental groups are extremely active.

As far as it continuing is concerned, we have not had a repeat. When you get a judgement against a firm for damages of \$250,000 and you convict them, sometimes three or four times, and they get rattled for \$1,000 fine, it gets their attention. I am not saying we are persecuting, but in valid prosecutions under the sewer bylaw.

Mr. Breaugh: Let me conclude with one final question. Municipalities often get caught in arguments about which deep down they know they are not the place the adjudicate the argument. A number of people put the example that it is possible to fill a municipal council--at this time of year is a good time to do it--with 150 or 200 ratepayers. Let them yell and scream for a while, and that council, to put it in its noblest sense, will respond to the population.

But to be a little more realistic about it, it is going to make a decision based on considerable harrassment, not necessarily the right decision, not necessarily the noble decision, but they will all very wisely say, "We are just responding to the public." Even in a municipality such as mine, which has around 120,000 people, in some magical way 200 irate citizens in the council chambers represents all 120,000 of them.

One of my concerns in looking at this bill is just that problem. A municipal council, unlike us folks here at Queen's Park, or the citizens who live on Parliament Hill in Ottawa, is vulnerable. It is right there on the front line and often is susceptible to a whole lot of pressure.

I have heard it said that municipal councillors will look the 200 storming ratepayers in the eye and tell them they are wrong and give them a convincing argument as to the wrong. I have just never seen this phenomenon. I wonder whether you would appreciate a little protection in here from time to time.

Alderman Catterall: No. How am I supposed to be responsible about my actions as a municipal councillor, or how are municipal councillors generally supposed to be responsible if they do not have that front-line responsibility and that front-line accountability? Almost inevitably, if you bow to pressure on an issue to do the wrong thing, to do a thing that in the municipal interest as a whole is not going to be beneficial, that becomes evident very soon. That is what the whole electoral process is about.

The implication that municipal councils react any less responsibly than any other level of legislators is valid. Obviously if the responsibility is not there, then the ultimate accountability is not there either.

Mr. Breaugh: That is a very noble argument, and I would not argue with that.

Alderman Catterall: It is not a noble argument; it is what works.

Mr. Breaugh: I am not totally convinced of that.

Mr. Epp: I must tell Marlene I am pleased with her answer. That is one of the things that has been coming up here time after time. Somehow or other there is a perception out there that when people get to Queen's Park, they all of a sudden have a lot of God-given wisdom and rights and so forth that they did not exert or exercise or something at the municipal level.

I did not think I had changed, that just because I went through one election all of a sudden I was able to do a lot of things or had a lot more responsibility and a lot more wisdom to be able to deal with the problems at this level that I was not able to deal with at the municipal level. That is one of the fears that has come forth in the committee.

I have just a few things that have been touched on before. I

did not want to interject with supplementaries, so I am just going to raise them very briefly again.

One is the suggestion of a business licensing board or something of that nature which would take over for video games, etc. Rather than have the municipality license them, it would be an across-the-province board or commission or agency that would do it, just like the liquor control board or the liquor licence board. How would you react to that? Would you think there might be a place for that in Ontario for video games?

Mr. Rotenberg: A video game control board like the liquor control board.

Alderman Catterall: I don't know where you would stop that kind of process. You can have all kinds of special-purpose boards ad infinitum.

Mr. Epp: You would maybe have to have an Atari and Intellivision.

Alderman Catterall: What you are looking at with this bill is recognizing that the operation of businesses within the municipalities is something that is an integral part of that community and should be integrated with and responsive to that community, and that is where the control of the licensing of businesses belongs.

Mr. MacDonald: What would be your reaction if it were done by a provincial licensing body, such as the used car setup? You would avoid what they claim is a real problem of diversity of regulation. If they want to move from one community to another running the same business, they suddenly find they have a whole new set of rules to deal with.

Mr. Dunbar: I was going to answer it on the basis that if the business community in Thunder Bay would like to run down to Toronto every time they want to make a change, they might find that more objectionable than dealing with their local council, which probably would understand to a greater degree their particular problems. I cannot respond to the question of moving from one municipality to another.

Mr. Onley: There are two points. You mentioned the liquor licence board. There is a similarity, and there is also a very strong enforcement problem, or supply problem, whereas most licences are unique to that municipality. Certainly the argument is a valid one, that you have different setup, depending on which municipality you go to.

Gradually, municipalities are getting similar kinds of bylaws. The Ministry of Municipal Affairs and Housing has been a great help--not so much the last few years, but back a few years ago--in sending out a suggested format of bylaws to municipalities. I am not running it down by saying it really does not apply in a place like Toronto or North York because they are a pretty sophisticated, but for a lot of municipalities they are a great help. It is very helpful to have a format of just generally how the bylaw is.

The alternative of saying, "Well, we do it all through the province or the board," is far worse. The operation was successful, but you killed the patient.

The Vice-Chairman: If I can interject by way of supplementary, one of the concerns that was mentioned by quite a number of groups was the question of uniformity or lack of uniformity, with 800-plus municipalities each having the power to establish different licensing regulations by bylaw, particularly with respect to firms doing business in a large number of those municipalities which did not know what exactly they would be faced with from one municipality to another and with respect to firms carrying on interurban or intermunicipal business, the parcel carriers, the couriers, the--

Mr. Brandt: Taxis.

11:50 a.m.

The Vice-Chairman: Well, taxis to a less limited extent. We had United Parcel Service in here, and they referred to a similar company, a subsidiary of Canadian Pacific; they had to have cartage licences in individual municipalities, plus they had their provincial public commercial vehicle licence as well. You get into trouble when a businessman does not know exactly what he is going to be faced with, particularly if he is going to be faced with different licensing bylaws in 800 municipalities where he doing business.

Alderman Catterall: For example, cartage is a licensing power that municipalities have now. This bill has nothing to do with granting that.

The Vice-Chairman: That is within the municipality. But when you have a trucking firm that is covering a number of municipalities and it has to get a cartage licence from each of them--

Alderman Catterall: He may have to right now.

The Vice-Chairman: I realize that: the cartage areas. This sort of shifts the emphasis, as I understand it, a little bit and could conceivably give each individual municipality have control over cartage.

Alderman Catterall: That authority is at present in the act.

The Vice-Chairman: Some of it has gone to the regions--

Mr. Brandt: (inaudible) clarify that and remove that authority from the municipalities so you would not run into the problem of a multiplicity of licensing that would occur in various local government jurisdictions. It is a complication for them. There is no question about that.

Alderman Catterall: I think, for instance, that the province allocated the right to issue lottery licences to the

local municipalities so that we could achieve what Mac was talking about: greater response and quicker response to people who wanted that kind of a licence. I think the same happens generally in business licensing. Operating a business in Renfrew may not be the same as operating a business in Toronto. You want to be able to operate differently both as a business and as the municipality regulating or not regulating the business.

A province-wide board sets province-wide standards that may be far too rigid for some situations and not rigid enough for other situations. A business interest or a group of business people can get a fairly immediate response from their council which I do not think they would get from a provincial board.

The Vice-Chairman: At the same time, if they had one licence under the province--for instance, we had the parcel carriers and the mobile sign operators, some of them doing business in a large number of municipalities, faced with different regulations or the potential of different regulations in each municipality. We have had the bakeries also voicing the same sort of concern where the prospect exists of different regulations being established in each municipality in respect to the operation of their business. It is a question I think maybe AMO should address: how we can get some uniformity into the licensing provision so at least these people have an idea of what they are faced with, or whether it should be at a provincial level.

Mr. Dunbar: I know from the experience of a relative of mine who had to get a provincial licence for other things that he found himself running between Kitchener-Waterloo, Toronto, Guelph and several other municipalities to establish a business and get provincial licences. So it is as difficult at the provincial level, probably more so, than it would be at the municipal level. At least at the municipal level he goes to one location.

Mr. Epp: That is not so much of a problem if you are in this Golden Horseshoe. But if you are up north, Thunder Bay or some place, and have to take a plane in and spend a day or two here and then go back, that is even worse.

The Vice-Chairman: Sorry, Mr. Epp. Go ahead.

Mr. Epp: I have another question. It is part of what Mr. MacQuarrie was talking about. It has to do with the 800-odd municipalities that currently have some licensing powers and will have additional licensing powers. There are going to be a lot of different municipalities that have it. Then, particularly in the regions, do you see that where there is decentralization now there may be some kind of greater centralization within the regions following this?

For example, Waterloo may feel that the same people they are dealing with here are dealt with in Kitchener, in Cambridge, in Woolwich township and in Wellesley and so forth and then say, "Well, let's give that licensing power to the regions, because then they will have a greater number of municipalities they can deal with and be fair with."

Do you see anything in this bill that would tend to give the regions more responsibility, more power, as a result of this?

Alderman Catterall: I do not think so, but what it does do is to leave it up to municipalities if they want to delegate some of that to the upper tier.

Mr. Epp: They cannot delegate some of that now, but they--

Alderman Catterall: And if there is a common interest, that will tend to happen. But even within a region there are differences in how municipalities may want to handle particular businesses, because their whole business community is different and their whole economic base is different.

Mr. Epp: Well, you know your own. Do you see it happening in Ottawa?

Alderman Catterall: Regionalizing licensing?

Mr. Epp: Yes.

Alderman Catterall: No, I do not think so, particularly because the smaller municipalities would want to choose to license businesses in a different way.

Mr. Dunbar: If I might add something: While we talk about 832 municipalities, or whatever it is, in the province, I would think the number that would get into licensing would be much smaller: maybe a third, maybe less than a third. I have not got my statistics here on the municipal breakdown, but I would imagine many townships, and particularly townships in northern Ontario and others, are not into the licensing business. I would think it is primarily urban townships, towns, cities. Maybe the ministry has statistics on what municipalities are currently licensing, but I would guess that it is far less than half.

Mr. Epp: I was going to ask you that, but maybe Mr. Rotenberg can answer that.

Mr. Dunbar: I do not think they would be encouraged to get into it because of this legislation.

Mr. Epp: Before we go into clause-by-clause, and the statistics you have given us today are very helpful, I just wonder whether the ministry has some elaboration on that.

Mr. Rotenberg: No. We do not have reporting from municipal councils as to who passes what licences and bylaws. That is not part of the reporting function.

Mr. Dunbar: I saw a questionnaire that went out some time ago, and it seems to me it had something to do with bylaws. I do not know whether it was a listing of bylaws. Do you remember, John? Tom?

Mr. Rotenberg: Some of the clerks' returns do have

something on it, but not enough to give a proper statistical analysis of what is out there.

Mr. Epp: Could the ministry do that in the next few months? You send out all kinds of paper, I know, and on the back of one of these sheets you always send out--I notice I get something from the Ministry of Municipal Affairs and Housing every week about some kind of grants and so forth--could you use one of those corners to ask one of these important questions?

Mr. Rotenberg: Well, we could ask, but whether all the municipalities would send it back to us is another story. It might be an awful lot of work for them to collate all their bylaws and say what they do.

Mr. Dunbar: It is just a question of whether they are into municipal licensing and how many. We did it by telephone. We just asked the question, "Of the 60 provisions how many are you--"

Mr. Breaugh: They haven't discovered the telephone yet.

Mr. Dunbar: Well, it would take a lot of time to do 832 municipalities by telephone.

Mr. Epp: Could you do that for us? It would be helpful when we sit down--

Mr. Rotenberg: All right. If it is the feeling of the committee that it wants that information, we will attempt to get something on it. I cannot say whether it would be statistically accurate; it would just be some guideline for the committee. We will attempt to get something for you by the time we get to clause-by-clause.

Interjection.

Mr. Rotenberg: I have said that we will attempt to get it; I am not guaranteeing we can get it.

The Vice-Chairman: Are you finished, Mr. Epp?

Mr. Epp: Yes.

12 noon

Mr. Rotenberg: Mr. Chairman, just a comment and then a question to the delegation. Mr. Breaugh raised the problem about controlling sewage under licensing. I would point out that there is a subsection in the Municipal Act--subsection 210(147)--where a municipality can pass bylaws "prohibiting, regulating and inspecting the discharge of any gaseous, liquid or solid matter into land drainage works," etc. So there is that control elsewhere and it probably then would not be done under licensing.

Getting back to my original question of the deputation about effective date, having consulted with our solicitor, we are considering making the effective date January 1, 1983, but all those other sections of the Municipal Act would be repealed as of

January 1, 1984, and a municipality could continue under the present Municipal Act for that one year. But should a municipality choose to make any changes in its licensing bylaws, it would have to make a total change to conform with Bill 11. They could not have some bylaws under the old act and some under the new act. If they want to add a power, they have to amend their whole bylaw. Does that sort of thing seem to be acceptable to AMO?

Mr. Onley: Certainly.

Mr. Rotenberg: We will attempt to do something like that on the effective date.

The Vice-Chairman: Thank you, gentlemen.

Our next delegation is from the city of Ottawa, Edythe Dronshek and Brian Mahony. The brief to be dealt with by this delegation has been entered as exhibit 18. It is a rather unique one.

Mrs. Dronshek: Mr. Mahony has just stepped out for a moment. He will be here shortly.

The Vice-Chairman: A lot of us have to step out too. Do you want to start?

Mrs. Dronshek: Yes. Mr. Chairman and members of the committee, I want to express the city's appreciation at being allowed to present this brief with comments on the bill.

The city of Ottawa is generally in agreement with the purpose and the principles in the bill. The brief is only to indicate to the committee some of the individual concerns the city has in certain areas of the licensing sections.

We have attached for the committee's information a copy of the application for special legislation relating to the tow-truck industry, because we felt the committee should be aware at this time that the city of Ottawa has had problems in the tow-truck industry and is attempting to resolve them. I do not know whether other municipalities have a similar problem, but we felt this committee should be aware of it at this time.

With respect to the definition in section 1, the only comment we have is the addition of "the offering for sale or hire of goods and services" rather than "the sale or hire of" such goods and services. This would bring it in line with a similar definition that is now in the Retail Business Holidays Act. There are evidentiary problems that this would help to assist in the actual enforcement of the licensing provisions.

One thing which we have not added but which I might bring to the attention of the committee is that we are now finding some businesses are using the barter or exchange system rather than the money system to pay for such goods and services.

Mr. Rotenberg: We have no problem with that amended definition.

Mrs. Dronshek: On page 4 of the brief, the comments beside clause 2(4)(d) only relate to the modification if such were done with the application for private legislation. We have not attempted to draft sections for you; we just wanted to bring it to your attention.

On the regulation of hours of operations of businesses in some instances, specifically an impound lot where one is accepting towed vehicles on a 24-hour basis but not providing a customer service for the individual to be able to obtain back his vehicle, the power to regulate the hours allows us to set hours within which a business must operate, but it does not allow us to require that the business remain open during the hours that are set. In fact, even though we have the power to set hours, someone may decide not to go within the hours. The operators may close whenever they wish.

With respect to the hearing provision that has been proposed, it appears that the applications must all be forthwith sent and dealt with by a council or a committee thereof. The licensing bylaw that is in place in Ottawa at this time allows the chief administrator to go down a checklist and determine whether a person qualifies and a licence may be issued.

Mr. Rotenberg: I guess you were not here this morning when the people from Windsor were here. We have already indicated that in our reading of the law we may make it explicit that a designated official can issue licences if they conform, subject to appeal to council if someone does not want to get it. We are thinking that a designated official must take the application, subject to an appeal to council. But certainly the issuing of routine licences does not have to go to council.

Mrs. Dronshek: The way the bill actually reads at this point I would think it would.

Mr. Rotenberg: We do not think so, but we want to make sure that everybody understands they do not have to go to council.

Mr. Mahony: What about refusal? Is it possible for an administrator to refuse to issue a licence?

Mr. Rotenberg: We are considering that. We have not come to a final decision; however, if we do, it will be on the basis that the administrator must take an application but will be able to refuse with written reasons. The written reasons will include a notice to the applicant that he has the right to appeal to council about the refusal. I am not sure whether we are going to do that, but that is under serious consideration.

Again, if all refusals had to go to council, I can see the paperwork would be horrendous. If someone wants to put a glue factory in a residential zone, it is kind of ridiculous that council must have the refusal; but we must protect the right of any applicant to be able to go to council and appeal.

We agree with the philosophy that the routine things should be able to be done by officials.

Mr. Mahony: That is quite workable, but if you cannot refuse and the issuance of a licence would violate other bylaws, such as a zoning bylaw, it becomes a little--

Mr. Rotenberg: You can refuse; but the applicant must have the right, even when it is an obvious routine refusal, to be able to go to council.

Mrs. Dronshek: At the present time they do have that right to go to a committee of council and on to council.

We also have concerns about the temporary withdrawal of a licence, particularly in the taxi industry. Apparently the chief licence inspector at the present time is able to temporarily suspend the licence while he processes a report to council; actually, it is the committee of council that deals with it. If the person does not want a hearing, then there is no hearing. But he also has the right to suspend or revoke. Normally we do not revoke a licence without going through the procedure. The chief licence inspector lets him carry on, but if it is of such a matter that we feel the public may be put to harm, then we suspend the licence for a 14-day period and the matter is referred to a hearing at the committee level.

12:10 p.m.

Mr. Rotenberg: There are some municipalities that have special legislation on that matter.

Mrs. Dronshek: Yes. We have special legislation on that.

Mr. Rotenberg: Windsor was before us asking for that, and there were some reservations felt by the committee on giving that kind of power. We are going to consider that.

Mr. Breaugh: To be fair, though, the provision here is talking about a taxi driver's licence as opposed to a business licence to operate a business.

Mrs. Dronshek: The taxi driver's licence or the taxi owner's licence is in relation to the one vehicle. If there is something wrong with the vehicle, the plate is removed and the (inaudible)

Mr. Breaugh: I see.

Mr. Rotenberg: Do you have powers to suspend any licences other than taxis?

Mrs. Dronshek: It is general. We have the power to suspend everything, but I don't believe we normally do it--only in relation to the taxi industry.

Mr. Mahony: We do it for other things, when the situation requires an immediate suspension. We have summary suspension authority up to 14 days under the City of Ottawa Act, and I assume this new legislation, Bill 11, would invalidate that.

Mrs. Dronshek: No, it wouldn't.

Mr. Rotenberg: It wouldn't; but if we consider that is not proper, we might want to invalidate that. We discussed it this morning with Windsor. You have had the power. Do you really need the power to suspend a licence?

Mrs. Dronshek: In the taxi industry I think we do.

Mr. Breaugh: To be specific about it, the two examples you quoted would be some charge laid against the taxi driver which might lead you to believe that driver should be taken off the road, or that the vehicle itself is unsafe or whatever which would lead you to believe that vehicle should be taken off the road, as opposed to shutting down a whole business.

Mr. Mahony: We have never used that summary authority to shut down a whole business. It is usually a refreshment vehicle, one of these chip wagons or something, that refuses to move and takes one ticket for all-day parking. The only way to get him out of there is to suspend him for a day.

Mr. Rotenberg: Let me ask you this, because you have had the power. Aside from taxis or refreshment vehicles, are there any other businesses over which you would want to have the power of suspension?

We are considering removing the power of suspension from you, except, and we want to make it general. Do you need the power of suspension of a licence for anything else other than those examples you have given?

We have some reservations. Windsor says that if any businessman is charged with a crime, it wants to be able to suspend his licence for up to a couple of weeks before a hearing. If you put a person right out of business in a store, that is a heavy penalty when the person has not yet been convicted.

You have that power now. Do you think you need it?

Mr. Mahony: Itinerant sellers are an example. On occasion we have had to use the power against pedlars or hawkers when they are peddling in a prohibited area. We just say, "Your licence is suspended for a day."

Mr. Breaugh: That is certainly a little different from what Windsor was asking for this morning.

Mr. Rotenberg: But the point is, Mike, that they have the general power; they only use it in very specific cases.

Could you--because I don't think you have a lot of other things you want talk about--in some written form indicate to us in the near future where you use the power and where you think you require the power? I can see that there may be some reason for it. One of the messages I get from you is that you don't really require the general power to suspend all licences.

Mr. Mahony: Probably not.

Mr. Rotenberg: What I would like to do is, whatever you have in general legislation--Metro licensing has the same--it should be given to everybody or to nobody and it should not be for specific things. If you can do it, I would like some sort of brief from you on that.

Mrs. Dronshek: Fine.

Mr. Cassidy: Are you saying you are prepared to leave in a specific power where there is some obvious need?

Mr. Rotenberg: Where there is demonstrated need. What we were worried about this morning was that the power might be a very grave violation of a person's civil rights. Arbitrary decisions of suspension could cause great harm. As Mike said, if the bake shop were put out of business for two weeks, he just could not get back into business, and that is a heavy penalty if the owner of the bake shop is charged with some petty crime or something. So that power to suspend could be greatly abused and, if we are going to leave any of it in, we want to constrict it quite--

Mrs. Dronshek: May I give you an example? If a taxi meter has been tampered with and no longer accurately registers the set tariff, we will suspend the licence for the taxi owner and tell him to get it checked. When it is finally inspected by the inspector and verified as fine, then he is allowed to go back on the road. So the suspension would only--

Mr. MacQuarrie: In what other instances, apart from that, would you suspend a taxi driver's licence?

Mr. Mahony: For example, some taxi drivers will double park and block traffic in a particularly lucrative location and refuse to leave when they get a ticket from the parking control officers, because it is worth it to them to stay there. The only way we can get traffic moving again is to say: "Here. You are suspended for the rest of the day. We are lifting your plate. Come and get it tomorrow." Of course, they lose the rest of the day's earnings.

Mr. Rotenberg: I think possibly a philosophical basis would be where a licensee is in clear violation of the licensing bylaw, as distinct from the Windsor one, or where they have been charged with some other crime, which is not the licensing bylaw. That may or may not be a possible solution.

Mr. Cassidy: I would suggest that you might consider that the power to suspend immediately be a limited power in terms of the number of days.

Mr. Rotenberg: It is now 14 days.

Mr. Cassidy: The 14 days may be too long. If it were for a shorter period of time, which could then possibly be renewed--

Mr. Rotenberg: It is 14 days or when the hearing is held, whichever is shorter. That is under the present power.

Mr. Chairman, I do not think we should get into all of that at this time, but I think all the committee members are aware of the problem the ministry is going to have to wrestle with in trying to come up with a solution. But I would be pleased to have some feedback from Ottawa as a recommendation, having had that power.

Mr. Chairman: Just one question. In your taxi licensing, do you license the vehicles or do you grant licences to brokers?

Mr. Mahony: We license the three elements of the industry separately: the brokers; the owners, that is to say, each taxicab owner and vehicle; and each driver.

Mr. Chairman: So when you find a particular vehicle unroadworthy for whatever reason, or without insurance, you can lift the licence for that vehicle only, without disturbing anything else?

Mrs. Dronshek: Yes. We do not feel we have the authority to license the total business; and we have never tried to group the number of vehicles that a business has, just the individual licence for an individual vehicle.

Mr. Chairman: Right. Thank you.

Mrs. Dronshek: On page 8 of the brief are the comments respecting amusement arcades or gaming establishments. I take it the committee is looking into this further as to whether municipalities should be given the power to be able to prohibit their location, as is now permitted under the Municipal Act, or to allow a modified scheme similar to the body-rub or adult entertainment parlour where one can prohibit within defined areas rather than the existing one under the Municipal Act, which ends up meaning a street schedule where you prohibit them within certain portions of a highway.

Mr. Chairman: It is broken down now, I might point out, basically to a question in front of the committee or in front of the ministry as to whether those parlours should fall in the existing nonconforming use category whereby they cannot be removed if they exist, or whether they should be put over into the category with body-rub parlours where they can be dealt with, whether or not they exist. I think we have broken down at that, and the parliamentary assistant has pointed out the existing controls under the planning legislation.

Mr. MacQuarrie: Also, I think, we have dealt with the prospect of bringing them under some sort of overall provincial control, have we not?

Mr. Rotenberg: That has been suggested, but the minister is not very enthused about that. Also, the section in the Municipal Act is being removed, which says you can prohibit them because they abut a highway. The basic location can be done by zoning control in the Planning Act, which can be done and, as you know, a number of municipalities in Metropolitan Toronto have successfully defended those bylaws in court.

Mrs. Dronshek: We were saying it would be easier for the municipality to do it by virtue of the licensing provisions rather than--

Mr. Rotenberg: It may be easier, and maybe fairer, to do it by zoning.

Mr. Cassidy: That raises a question in my mind. That means you have to revise your entire zoning bylaw--

Mr. Rotenberg: No. North York, for instance, passed a bylaw defining video game parlours as a defined use in the act and said video game parlours can only be put in industrial zones and in major shopping plazas, and that is a very viable act. It is just a two-page bylaw. The city of Toronto has an even more comprehensive one which, as you may know, was tested in the courts; the courts upheld the fact that they could discriminate and have video game parlours as a specified use and only in industrial locations. This was upheld by the Ontario Municipal Board and by the courts.

Mr. Breaugh: Does Ottawa not have body-rub parlours?

Mr. Mahony: I think we have one.

Mr. Breaugh: That makes four in Ontario which exist, and we have got all this legislation hanging on the words "body-rub parlours." So far we have found four in the whole province. It seems strange to write legislation for four businesses.

Mr. Rotenberg: With respect, Mr. Breaugh, as a result of the legislation that was passed a few years ago, there was a proliferation of them by giving municipalities control over them. Most of them have disappeared. When the legislation was written, there was a major problem.

Mr. Breaugh: We should have a dinosaur control act too because that is getting to be a big problem.

Mr. Epp: I am sure Mr. Breaugh will not be opposing the legislation that is going to give three or four ball parks the opportunity to sell beer. Is that three or four?

Mr. Breaugh: In Oshawa, we have seven or eight. That is strictly a Toronto problem.

Mr. Chairman: I think video games have been dealt with. Would you carry on to the next section?

Ms. Dronshek: The next section would be respecting the licence fees in clause 2(6)(b). It is Ottawa's position that when people are carrying on business on the streets or on portions of property, they end up paying no business tax and have no business premises, so there should be some sort of formula whereby there can be an equivalent fee structure relating to--

Mr. Rotenberg: I guess you were not here this morning when we dealt with that matter.

Ms. Dronshek: Yes.

Mr. Rotenberg: You heard the discussion earlier so you understand our position on that?

Ms. Dronshek: Yes.

Mr. Mahony: We have a slightly different position, I think.

Ms. Dronshek: We do not make a distinction between residents and nonresidents. There is a distinction between going door to door and going to a particular place. In Ottawa we have more people licensed who go to particular places in prime commercial areas, on downtown street corners, etc.

Mr. Rotenberg: The suggestion we made this morning or were considering is that itinerant salesmen, where you now can charge extra, be extended to anyone who rents premises. That would cover your hotel rooms, your flea markets on shopping centre parking lots and so on, but it would not cover the door-to-door salesman.

Mr. Mahony: That does not solve the Ottawa problem because we have a large number of itinerant sellers who sell on the street and we have set licence fees to placate the business community which wants to feel there is a sense of equity in the licence fee in relation to their business and realty taxes. We have licence fees up to \$2,000.

Mr. Rotenberg: For the flower sellers on the corner?

Mr. Mahony: For the flower sellers, yes. For the little girl selling flowers on the street it is \$150. We feel there is an element of business tax and an element of rental for her space on the street in that. This goes to the other extreme where you have a refreshment vehicle, a full-size truck, acting as a small restaurant outlet, which has a licence fee of \$2,000.

Mr. Cassidy: Those are the chip wagons?

Mr. Mahony: The chip wagons are actually \$600. It is much larger than the normal licence fee to cover the rental of the space the chip wagon operator is using on the street and also some element of business tax, perhaps \$150.

Mr. Cassidy: Am I correct in understanding that the extra licence fee for chip wagons would not be collectable under the bill as it is proposed right now? Is that correct in your opinion?

Mr. Mahony: That is correct. We would like the committee to consider some adjustment.

Mr. Cassidy: I would say to the parliamentary assistant the chip wagons are peculiarly an Ottawa municipal issue. I am not sure if they really exist in the same way across the rest of the province. How many chip wagons do you licence?

Mr. Mahony: I think it is 44 at the moment.

Mr. Breaugh: Is that all?

Mr. Mahony: Yes.

Mr. Cassidy: They all go in one place, too, sometimes.

Mr. Mahony: It tends to limit the number. I think we would have 144 if we had a \$20 licence fee.

Mr. Cassidy: But the maximum you could charge them might be only \$50 under this law.

Mr. Mahony: Exactly, something of that order.

Mr. Chairman: Are they more of a problem in Ottawa, the chip wagon and street vendor, rather than the truck with the coats in the hotel?

Mr. Mahony: I would say it is. There are far more of them. We do need the transient trader's licence fee as well. There is a real outcry from the business community about the fellow who comes in with men's clothing from Hong Kong and sets up shop in the Chateau Laurier, unless they know we have charged him a \$500-licence fee. This makes everybody reasonably happy.

Mr. Cassidy: I think it is also because of the peculiar situation in Ottawa with so many municipalities. Also, I believe many of those chip wagons come from Quebec, do they not?

Mr. Mahony: That is true.

Mr. Cassidy: It is harder to capture the benefits of that business than it would be in a community like Sudbury, for example, where people who sell chips from a chip wagon probably live in the municipality as well. So you do get it somewhat indirectly, whereas in Ottawa you do not capture that in the same way.

Mr. Mahony: I really do not know. They seem to be very popular. There was quite a public outcry when council tried to control them by this much larger licence fee. There was some question of trying to get rid of them altogether by a really prohibitive licence fee, but we ended up with \$600.

Mr. Breaugh: Your approach in this has been to try to come to a flat fee that reflects all these other costs, as opposed to some suggestions we have had that you ought to have a sliding scale or take a percentage of the gross sales or something like that. You have dispensed with the bureaucracy of trying to track these people down and just ball-parked a number and applied that at different levels. Is that right?

Mr. Mahony: A subjective number.

Mrs. Dronshek: Yes, but we have classes of refreshment vehicles. If you are vending on private property, you pay less in the way of a licence fee than you would if you want to operate off the city streets.

Mr. Breough: One of the suggestions we have had is to take transient traders, hawkers and pedlars and say there is now an emerging new class of special occasion sale. So if I want to set up shop in the Chateau Laurier for three days, I will go to the municipality and get a licence whose fee will reflect the volume of business I might do. I would propose a flat fee rather than some attempt to charge them a percentage of sales. How would that sit with you?

Mr. Mahony: I think that is a very practical approach. The present approach works perfectly well. We charge them an annual fee and they can come back as many times as they want. If they decide to set up business in the municipality, this will apply against the first year's business tax. That is what actually happens now.

Mr. Brandt: Was it not Kitchener that suggested that be 10 per cent of gross as a maximum?

Mr. Breough: We have had a couple of suggestions about a percentage. It would be my contention that this is very difficult to track down. It is probably simpler and more effective to have a flat fee that attempts to reflect a number of variables or a percentage of something.

Mr. Epp: Do you establish new fees every year by bylaw?

Mrs. Dronshek: The fees are set by bylaw. When they are adjusted they are readjusted by bylaw.

Mr. Cassidy: What do you charge to the catering trucks that go to construction and industrial sites? What is your fee for them?

Mr. Mahony: I think it is \$250 a year.

Mr. Brandt: Could I also ask what fee you charge for the pedlar who comes into town with rugs, leather coats or art, that kind of thing, and sets up in a hotel room?

Mrs. Dronshek: We call him a transient trader and he pays a \$500-licence fee.

Mr. Brandt: It is a flat fee for all types, irrespective of the size of the business and where it might be located?

Mrs. Dronshek: Yes.

Mr. Brandt: What would happen if they took over a vacant store for three days by agreement with somebody?

Mrs. Dronshek: It is the same amount.

Mr. Mahony: It would be the same fee. I grant you it is not completely equitable.

Mr. Chairman: Would it still be \$500 for three weeks?

Mr. Mahony: Yes.

Mr. Chairman: Or three months?

Mr. Mahony: Or one year. The \$500 goes up to one year.

Mr. Chairman: So whether it be one day or three months, it is still the same flat \$500 fee?

Mrs. Dronshek: Yes.

Mr. Brandt: There is a catch here with which I have great difficulty coming to grips. I think it is unfair to local businessmen, but it is put in place by many municipalities with the specific intent of protecting the consumer. I agree with that, other than the fact that the type of individual I have just described seems to be able to get away with this other aspect of perhaps fleecing the public to a certain extent because of the speed of the business, the quickness with which he can move in and out and this kind of thing.

Do you have a close-out bylaw, a bankruptcy bylaw or a bylaw where, if a business was closing out a location within a city--say, it had two or three locations and was consolidating to one or two locations--you could effectively control the inventory and the length of that close-out sale by bylaw?

Mrs. Dronshek: We did. We no longer do so.

Mr. Rotenberg: Metro does. They have licences for this kind of thing.

Mr. Brandt: There are a number of municipalities that do this. The point I want to raise is the inequity of some outsider coming into a municipality with no control over the inventory, able to dispose and sell under the conditions we have mentioned, a hotel room, perhaps a roadside sale or a vacant building. Yet if the businessman in your community who has perhaps been there for 10 or 20 years decides to consolidate a location or legitimately decides to go out of business because he is going bankrupt, which many are today, or whatever the case might be, if he puts a sign up in the window, unless he has a licence that says municipal licence, or whatever it happens to be, if there is a bylaw in place, he cannot even dispose of his inventory in quite the same way as the guy who buys a bankrupt stock in Toronto, puts in on a truck, decides to go to Waterloo or Woodstock and does a route until he disposes of the merchandise. It is the same merchandise, the same sort of close-out, but one guy has the opportunity to do it in a much more unregulated fashion than another person.

12:30 p.m.

Mr. Epp: The irony there is that he has less commitment to the community.

Mr. Brandt: That is the bottom line.

Mr. Rotenberg: Under the present Municipal Act, that guy is an itinerant salesman. If he opens up in a store for a three-day, close-out sale he can be charged a \$500 fee. The local merchant, who may have to get a licence for it, cannot be charged a \$500 fee because he is a local merchant. He may have to get a licence but he is not charged the extra fee because he has been paying business tax.

Mr. Brandt: With respect, may I suggest that the \$500 fee is really of little consequence if you are closing out \$100,000 of merchandise. If the question was \$100,000 in leather coats through the itinerant salesman who comes from Toronto and buys a bankrupt stock here and shoots off to Ottawa to dispose of it, as opposed to the furrier who has been in Ottawa for 20 years and has paid business tax for 20 years and has to dispose of competitive stock under the same circumstances, I don't know whether the rest of you see it, but I see a very real inequity there.

Mr. Cassidy: Excuse me, Mr. Chairman, perhaps it is up to the municipality to find ways of regulating it if the people in the area feel it is inequitable. That is what licensing is all about.

Mr. Brandt: They do in many instances feel it is inequitable, but I am telling you the legislation does not give them sufficient flexibility to be able to control some of these people coming in from out of town.

Mr. Cassidy: This is, in a sense, the point we are on. I would like to ask Mr. Rotenberg a question, in response to the point Ottawa makes. A strong case has been made that, for example, the itinerant salesperson should not be charged just a \$25 fee for coming there and effectively competing with local people out of borrowed premises. With the chip wagons and so on, Ottawa should basically be able to get the revenue and licence money from the chip wagons and people like that. What is the position of the ministry on that because it affects this bill?

Mr. Rotenberg: There is a section of the Municipal Act that we are leaving in which allows a charge of up to a \$500 fee for people coming in from outside, the kind of thing Mr. Brandt described. That is under transient traders, and we are leaving it in the Municipal Act. We are not repealing that section. That would not be in the Municipal Licensing Act. That would remain in the Municipal Act. As far as the chip wagons are concerned, or perhaps I should call them refreshment vehicles, the point is, the way the bill is now written, they could not charge the excess fee. It would have to be just a cost recovery fee.

Mr. Cassidy: Are you prepared to make that change?

Mr. Rotenberg: Please allow me to finish. You have not been at these hearings and you perhaps do not understand how we are operating.

It is a legitimate point we have not considered. Between today when we finish the public hearings and the time we come back for the clause by clause, we are going to have to look at the problem of refreshment vehicles throughout the province and decide whether that is one of the categories that should be charged a higher fee than the cost recovery fee of \$25. That is done now and it could be deemed to be unfair competition for the restaurant around the corner that pays business tax.

Mr. Mahony: That applies to some degree to itinerant sellers too, Mr. Chairman.

Mr. Rotenberg: That is something we are going to have to look at. I am not prepared at this stage, as I told the committee on another question, Mr. Cassidy, to commit the ministry to anything other than reviewing the situation.

Mr. Cassidy: I hear the Ottawa people have, for example, suggested that the limit of \$500 for itinerant salesmen might need to be reviewed in order to bring it up to date with money values from when it was originally put in the act. It was put in five or 10 years ago, and \$500 then would be \$1,000 today.

Mr. Rotenberg: The purpose of these hearings, as we visualize it, is to hear all these suggestions in regard to the bill, except those we consider to be frivolous, and this is not one of them. Then the ministry is going to look at all the suggestions that have been made, consider them all and come back when we do clause by clause with some recommendations from the ministry.

Mr. Cassidy: Are there other classes of sellers besides the mobile restaurants, the chip wagons and so on, that the city also considers it would like to have the power to get some revenue from as well the licence fee? I see you say it for flower sellers and people like that. Is that right?

Mr. Mahony: Yes. People who sell in one place in a prime commercial area without paying any business tax obviously, I think, require a little higher licence fee so that adjoining merchants feel there is some equity.

Mr. Cassidy: So these are street sales people, not the fellow with the carpets who just breezed in from Iran?

Mr. Mahony: Yes.

Mrs. Dronshek: They set up a little stand on the corner of the street.

Mr. Rotenberg: You can control them under your streets bylaw, can't you?

Mr. MacQuarrie: This differs substantially from the submission of the Association of Municipalities of Ontario, which indicated that philosophically they and others support licensing simply as a regulatory mechanism rather than a revenue-producing mechanism.

Mr. Mahony: Well, it is a little different concept, I agree.

Mrs. Dronshek: It is not necessarily revenue-producing because in the end our estimates and our budget are done up and our licence fees in total do not exceed our administrative and enforcement costs, and the enforcement costs do not include the city solicitor's department.

Mr. MacQuarrie: I am not quarrelling with the general principle that licensing might well be in part revenue-producing; in fact, the British North America Act permits it. The thing that I have some trouble with, and continue to have trouble with, is this cost recovery clause as it appears in the bill. The municipalities set their estimates, revenues and expenditures. Included in that is a component dealing with licence fees by way of revenue, expenditures involved in administration, by way of estimates only. Yet the section, the clause as it appears, speaks of actual amounts. I find it hard to see how this would operate in practice.

Mr. Mahony: In practice, there is virtually no problem. We know what it costs us to license so many schedules or so many activities during the past year. We know that there will be a 10 per cent to 12 per cent inflationary increase, largely salaries, and you can come within two or three per cent. Right today Ottawa is within three per cent in its forecast revenues and expenditures.

Mr. MacQuarrie: Yes, but the section also deals with enforcement. I put the same question to you as I put to Mr. Onley, and that is, assuming that your legal department is in court several times on bylaw enforcement, is that charged against your--

Mrs. Dronshek: We read enforcement as being licensing enforcement for inspectors that are needed to go out and do the information reports.

Mr. MacQuarrie: I look at enforcement in a somewhat broader context.

Mr. Mahony: In point of fact, we tend really to recover direct costs of licensing.

Mr. MacQuarrie: Knowing how municipalities budget, I can well assume that it is a portion of the clerk's office, a portion of this, a portion of that, a portion of other things.

Mr. Mahony: A portion of council's time and all kinds of things.

Mr. MacQuarrie: I have trouble with the cost recovery section and I wish that the ministry would look at that.

Mr. Cassidy: Considering that there are several categories, not just the mobile restaurants, where there is a case to be made for some recovery of revenues as well as the simple costs, would it be possible for the city to simply list what those are and give an indication of the licence fees that are charged and perhaps let members of the committee have that? I am not sure what the government's position would be, but it would appear that this is not just the mobile restaurants but the flower sellers and the street peddlars. There is certainly a case there. I am not sure what your position is on it.

Mr. Chairman: I would like that followed up if you could because Sarnia, in particular, had some of the same philosophy. That is why Mr. Brandt's questioning was leading towards a diminution of licensing revenue under the new act because Sarnia gains a fair amount of revenue. I think there is a fair similarity between Ottawa and Sarnia. Could you supply the committee, the parliamentary assistant, with the fees you charge as a guideline?

Mr. Epp: This is a question with respect to planning, Mr. Chairman. Is it your intention to finish this presentation and then go for lunch?

Mr. Chairman: Yes.

Mr. Epp: Were you planning on coming back at two o'clock?

Mr. Chairman: Both of those, finishing this presentation now and coming back at two o'clock. We have three presentations, not just the two scheduled in front of you. We also have the city of Mississauga in between the city of Hamilton and the Metropolitan Toronto Licensing Commission.

Mr. Epp: It makes a pretty good sandwich.

12:40 p.m.

Mr. Chairman: Thank you. Could you carry on with your numbers? Are you down to page 18? That is into taxis. I think that is 4(3), if I am not mistaken, without going back.

Mrs. Dronshek: Yes. Page 18 is the comparison of the power that is now presently given to taxis. We are asking in our special legislation for this to be extended to the tow truck industry.

Mr. Rotenberg: I just want to indicate we have that request already being studied by the ministry. There are some very difficult complications--matters of jurisdiction--that you are aware of, because you want to be able to have some control over things that are outside your jurisdiction.

We understand the problem. We do not yet have a solution as to whether or not we feel we can accommodate what you are asking for. It is under study.

Mr. Epp: Is the airport within the municipality of Ottawa? Where is it?

Interjection: Gloucester.

Mr. Epp: What about taxicabs? Are they licensed?

Mrs. Dronshek: No. We do not have any problem with taxis as far as pickup and drop-off go and we have never used the power given to us to require a taxicab to be licensed if it only picks up within the city of Ottawa. They have not been a problem. We only require a licence if you do your business in the city and make your pickup and drop-off within the city. They travel with other licences when they are going back and forth.

Mr. Cassidy: I have a question for the parliamentary assistant with respect to the tow truck question. Now that the city of Ottawa has determined that the situation is just getting too scandalous not to leave it alone, if there is no legislation, then you leave it open to people, in Gloucester in particular--they all seem to live in Bob MacQuarrie's riding--to come in and poach.

Mr. MacQuarrie: There are quite a few Ottawa citizens also.

Mr. Cassidy: I hope they can get a few of your residents from time to time. They have got me on occasion.

They cross over municipal boundaries and that creates a number of problems. Are you saying that you may find the problem so insurmountable you are not prepared to act, or are you saying that you are prepared to act but you just do not know how? The means need to be determined but you will not pull the rug out from under what Ottawa has already done?

Mr. Rotenberg: Mr. Cassidy, the only commitment I am making is that we will give serious consideration to their request. I am not committing ourselves now that we will do what they ask or how we will do what they ask.

Mr. Cassidy: As I understand it now, the city of Ottawa has under existing legislation successfully passed a towing bylaw. Is that not correct?

Mr. Rotenberg: No. The city of Ottawa is asking for special legislation to do what it wants to do. We have to look at that. We have to look at it in consultation with the Ministry of Transportation and Communications, with other powers, and then decide whether or not they should have the special legislation and, if so, in what form they should have it.

The only commitment I make to you is that we recognize it as a serious problem. It is not frivolous. We will give it serious consideration, but I cannot commit anything else beyond that at this point.

Mr. MacQuarrie: The problem there extends to what is done to the vehicles after they are towed away, to have pounds outside the jurisdiction open on a 24-hour basis so that people can get their cars back. The basic problem, as I understand it from the complaints that have been directed to me, has been with people visiting large apartment units, condominiums, and so on. They come out and find that the tow truck operators in their enthusiasm have towed their cars away, seemingly with very little justification.

Ottawa, and any municipality, should logically be able to control the activities of those tow truck operators whether on private property or otherwise within the jurisdiction.

Mr. Rotenberg: May I ask is the problem that when tow truck operators pick up a car that is in violation of something it is usually on public property where the police would call a tow truck, or is the problem on private property, for instance, where a condominium corporation calls a tow truck? Or are they just in their freelancing?

Mr. Mahony: I could give you in about two minutes a rather interesting business phenomenon which has developed.

Mr. MacQuarrie: Probably a bit shady.

Mr. Mahony: Yes, it is. A new type of firm, parking management contractors, does a deal with large property owner to police his property for illegal parking for \$1 a year, and that gives them carte blanche to tow away cars in collusion with the superintendent and charge what they want. It costs the property owner nothing, but it is pretty rough on the public.

Mr. Rotenberg: I think the question is whether they are doing that legally and whether the--

Mr. Mahony: Yes, they are doing it quite legally.

Mr. MacQuarrie: In fact, there is some suggestion of kickbacks.

Mr. Mahony: Oh, there are kickbacks.

Mr. Rotenberg: The municipality, maybe under some other act, or maybe the province, should be getting into controlling that kind of business in a general fashion. To me the whole philosophy of that, where if I walk into an apartment around a shopping centre parking lot and come out 12 minutes later and my car has been towed away by a private operator without a ticket, without a policeman and so on, kind of goes against the grain, as far as I am concerned.

Mr. Mahony: Particularly if there are no signs or anything else on the piece of private property from which the car was towed. There are all kinds of inequities and unfairnesses. All we are trying to do is set some ground rules that are fair to the property owner, the public and the towing companies.

Mr. Rotenberg: It sounds as if it is a problem that goes beyond just the licensing situation.

Mr. Cassidy: I think what happened in Ottawa, as the city people are saying, is that some people discovered that there is some business to be generated there, and since the fee is \$25 for a quick tow and \$25 for the overheads and the cost of running a pound on cheap land in the suburbs, the scouts go and they are radio connected to the tow trucks, and they say: "Yep, there's one on Kent Street, Joe. Off you come."

Mr. Rotenberg: Can the municipality not have some control of parking on private property, control the regulations a private property owner can have and so on?

I mean, you have (inaudible) requiring visitors' parking, shopping centres. Can you not control under some traffic bylaw or zoning bylaw the regulations that a private person can put for parking on his property?

Mr. Mahony: Yes, you can, but it is very difficult.

Mrs. Dronshek: I do not know whether you can because parking is contrary on private property without the consent of the owner, but there is nothing there to make the owner put up signs saying that vehicles will be towed away for illegal parking.

Mr. Rotenberg: If someone comes and parks in the driveway of my private house, I can call a tow truck to take it away.

Mrs. Dronshek: A single-family dwelling, yes.

Mr. Rotenberg: Without any reference to anybody.

Mrs. Dronshek: The single-family dwelling is no problem. The problem is in large apartment buildings and complexes.

Mr. Mahony: The practical problem is that there is a lien on the car in the impound lot if the police have been involved. No tow truck operator will pull a car away unless the police have given permission either over the telephone or in person on the scene because then the lien does not apply. Of course, if there is no lien, a lot of these customers would just recover their car without paying for it.

Mr. Rotenberg: That is for private or public property?

Mr. Mahony: Yes, private or public.

Interjection: I am not clear about that.

Mr. Rotenberg: In other words, if the tow truck comes on the private property and takes the car away, if the police have not given permission the owner can just go and take his car out without paying the fee?

Mr. Mahony: That is right legally.

Mr. Cassidy: Except that legally it is a bit tough for them. There is a big burly fellow like this with two tow trucks behind him, and the pound is locked.

Mr. Rotenberg: In effect, the pounds are operating somewhat illegally by charging a fee, are they?

Mr. Mahony: No. I think they are operating quite legally in charging a fee. That, of course, is one of the problems. The fees vary from \$50 to \$200, according to who is doing it and how much the traffic will bear.

Mr. Rotenberg: I am just saying if there is no lien against the car.

Mr. Mahony: There is a lien against the car if police permission has been first obtained.

Mr. Rotenberg: But if there is no police permission, and I gather that in many of these cases in Ottawa there is no police permission--

Mr. Mahony: But there is always police permission. These tow truck operators will not take a car without police permission.

Mr. Cassidy: How do they get police permission?

Mr. Mahony: By a telephone call. The contractor phones the police with a copy of the contract. They know the property owner has given his consent and they say okay. Ottawa solved the problem temporarily at the expense of the property owner by having the police commission agree not to give verbal permission over the phone; they have to come out. There are not enough police--

Mr. Rotenberg: Is it not a reasonable solution to work through your police commission to have some kind of regulations as to when a tow truck can and cannot tow a car away? That seems to be a reasonable solution rather than getting it from the other end.

Mr. Mahony: It is a solution, but it is certainly at the expense of the property owner. These large condominium complexes are plagued with illegal parkers.

Mr. Cassidy: I think there are problems on both sides. For a ticket to be put by the police person on a car on private property it simply takes too long to get a policeman around, and the driver may be a scofflaw who really does not care because the ticket does not get paid for a long time anyway.

Mr. Rotenberg: Mr. Chairman, can I cut the discussion short on this matter? I appreciate what you have said; I have got an understanding of the problem. You have made an application for special legislation. The ministry and I would appreciate a separate brief to us on this matter outlining some of the things you have said today and amplifying on them, and whether or not we deal with this in the licensing bylaw.

Mrs. Dronshek: We could not even license the drivers of the tow trucks.

Mr. Rotenberg: Under the bill you will have to get a licence to do that.

Mrs. Dronshek: Not if they only make the pickup in the city and take their vehicle to their municipality.

Mr. Rotenberg: I am not committing that we will do anything on it, but if we do it may be under Bill 11 and it may be a separate section in the Municipal Act for general legislation. If we are going to do it, I would think we probably would not do it under special automobile legislation but in general.

Mr. Cassidy: Nobody sees the tow truck in operation unless he happens to come out of someplace and sees them taking his car off. The question is not that the cars are mishandled; I do not think that is normally the complaint. It is that you are held to ransom with a \$50 fine for them to park your car for two hours, plus having to pay \$10 for a cab ride to get out to get the car.

Mr. Rotenberg: Plus the towing charge.

Mr. Cassidy: Plus the towing charge.

Mr. Rotenberg: Mr. Cassidy, what I am saying is we understand the problem. I do not think we should take the time of the committee now to try to solve it because I just know we cannot solve it today.

Mr. MacQuarrie: One thing I want to mention is that the problem is not unique to Ottawa.

Mr. Rotenberg: That is why I say when we get to the problem it may be under general legislation.

Mrs. Dronshek: On page 20, the suggestion across from the repeal sections in section 11 is to allow the municipality to regulate or prohibit the use of public address systems, sound equipment, loud speakers, amplifiers and devices on the highway or in a public place. The complaints we are getting are from tenants and neighbours in close relationship to record stores which have loud amplifiers enticing people to come in.

Mr. Rotenberg: May I suggest to you that under section 138 of the Environmental Protection Act, "Councils and local municipalities may, subject to the approval of the minister, pass bylaws regulating emissions of sound," etc. etc.

Mrs. Dronshek: We do not have a bylaw under the Environmental Protection Act at this point.

Mr. Rotenberg: What I am suggesting is under that section of the Environmental Protection Act you can pass a bylaw to do what you want to do on their licensing.

Mr. Breaugh: Don't bother. It does not work.

Mrs. Dronshek: We would rather just be able to prohibit the noise under our anti-noise and public nuisance bylaw rather than license these people.

Mr. Rotenberg: As I say, under that section of the Environmental Protection Act you can regulate or prohibit the emission of sounds and vibrations.

Mrs. Dronshek: Our council has felt that is not adequate and we have never opted to use the provision under the Environmental Protection Act.

Mr. Breaugh: It is not adequate.

Mr. Rotenberg: Why is it not adequate?.

Mr. Breaugh: You cannot measure the noise level.

Mr. Cassidy: I would point out that problem is liable to increase because there is now technology on the market where basically we can allow people to put up talking stores. When somebody passes by, the store will say, "Hello, why don't you come in and buy something?"

Mr. Breaugh: I saw that in Amsterdam.

Mr. Rotenberg: That was just for rental.

Mr. Epp: What district was that?

Mr. Breaugh: I forget.

Mr. Mahony: You can effectively control it by licensing. You just pull the licence for a couple of weeks and the problem is solved.

Mr. Cassidy: Basically you want to licence sound systems outside of stores. Is that it?

Mrs. Dronshek: No. We did not want to license them. We just wanted the power to prohibit or regulate. If we had to, we could license every record store, but why hurt the ones who are not causing the problem?

Mr. Cassidy: You cannot pass a bylaw which strictly prohibits them if there is a loud speaker in the store.

Mrs. Dronshek: I know.

Mr. Rotenberg: I am not clear why a bylaw under the Environmental Protection Act would not be good, whereas a similar bylaw under licensing would be good. Is it the enforcement?

Mrs. Dronshek: It is leaving the section in the Municipal Act for the mere power to prohibit or regulate. We could license all records stores, but why make every record store take out a licence because there are two in the city that are using amplifier systems that are blaring out on to the street?

Mr. Rotenberg: What you want you do is leave section 133 in the Municipal Act rather than leave it in the licensing bylaw?

Mrs. Dronshek: With the power to prohibit or regulate these.

On page 21, the section that you are retaining in the Municipal Act about prohibiting the sale of refreshments, one would have to prohibit the sale of all refreshments from motor vehicles and not just certain types. We are saying that if one was able to prohibit classes of refreshments, then one might be able to cope with individual specific problems rather than having to prohibit all refreshments that are being sold from something like a motor vehicle.

Mr. Rotenberg: That makes sense. I think we can do that. I am not saying for sure we will.

Mrs. Dronshek: On page 22, the section that prohibited an owner from taking goods from a person who was a minor is being repealed. We suggest it should be replaced. At the present time we use that provision in our second-hand goods licensing bylaws.

Mr. Rotenberg: That is the pawn shop basically, is it?

Mrs. Dronshek: Second-hand goods. That is much broader than the pawn shop.

Mr. Cassidy: Is this in your bylaws now?

Mrs. Dronshek: Yes.

Mr. Cassidy: Why would it be taken away under the (inaudible)

Mrs. Dronshek: They are repealing the section and they will no longer be able to discriminate against age groups.

Mr. Cassidy: I see.

Mr. Rotenberg: The minor can buy, but the minor cannot sell. That is what you are really saying. A person under 18 can buy from the shop, but cannot sell from the shop.

Mrs. Dronshek: They cannot bring something in to sell.

Mr. Cassidy: It is basically fencing, a juvenile crime, isn't it?

Mrs. Dronshek: Basically.

Mr. Rotenberg: I am not sure that is an appropriate place for this, but it is something we are going to have to look at it.

Mrs. Dronshek: It is just that you were taking it out and we are using it. The police do use it. The police find this a deterrent to licensed second-hand goods people. When they know the police are around, they feel it is a (inaudible) of use to them in there.

Mr. Mahony: I think the police feel a lot of kids go to their mother's dresser and grab some jewellery and flog it to the second-hand shops.

Mr. Cassidy: Or to somebody down the street.

Mrs. Dronshek: When we reviewed our licensing categories when this bill first came out in 1978, we deleted a great number of categories. One of the ones we deleted was second-hand goods. The police had originally used the schedule. They found its sections good. They were very upset about the categories being deleted and they subsequently requested council to re-enact these provisions and the bylaws now are back in place. It was a category that was found to be quite useful for the police.

Mr. MacQuarrie: Dealing with this section under Bill 11, if it went through as drafted, you could still license the second-hand shops.

Mrs. Dronshek: Yes, but we could not say he could not buy from a juvenile.

Mr. MacQuarrie: I would think you could if that--

Mrs. Dronshek: No. The law is saying that we cannot discriminate against age groups unless the legislation (inaudible).

Mr. Rotenberg: We feel that they can regulate, but that is the kind of regulation they could not put in unless they had specific powers so to do. All I can say to you again is that we will look at that as a possible section to retain.

Mr. Chairman: Thank you very much, not only for appearing before us, but quite frankly for the manner in which your brief is set out with the existing sections, the recommendations and the reasons. It is a very good way to go. It assists the committee in looking at it and, I suspect, the ministry people in reviewing it after us.

Mr. Epp: The people appearing from Ottawa did the same with the Planning Act. It was very helpful in that context too.

Mr. Chairman: Fine. Thank you. Perhaps if more municipalities did it that way, it would be easier to follow.

The committee recessed at 12:58 p.m.

General
Public



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

MUNICIPAL LICENSING ACT

THURSDAY, JULY 22, 1982

Afternoon sitting

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
VICE-CHAIRMAN: MacQuarrie, R. W. (Carleton East PC)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Eves, E. L. (Parry Sound PC)
McLean, A. K. (Simcoe East PC)
Mitchell, R. C. (Carleton PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)

Substitution:

MacDonald, D. C. (York South NDP) for Mr. Swart

Also taking part:

Rotenberg, D., Parliamentary Assistant to the Minister of
Municipal Affairs and Housing (Wilson Heights PC)

Clerk: Arnott, D.

Witnesses:

Skye, J. H., Member, Metropolitan Toronto Taxi Drivers Association

From the City of Hamilton Licensing Committee:

Dembe, S., Licence Administrator
Hooker, P., Solicitor, Legal Department
Lawrence, D., Chairman; Alderman

From the City of Mississauga:

Burch, G., Manager of Administration
Nesbit, R., Manager, Public Vehicle Licensing

From the Metropolitan Licensing Commission, Toronto:

Barker, W., General Manager
Clark, P., Chairman
Cohen, A., Solicitor
Neville, J. H., Director

LEGISLATURE OF ONTARIO
STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Thursday, July 22, 1982

The committee resumed at 2:10 p.m. in room 151.

MUNICIPAL LICENSING ACT
(continued)

Resuming consideration of Bill 11, An Act to provide for the Licensing of Businesses by Municipalities.

Mr. Chairman: Gentlemen, seeing a quorum and there being a member from each of the parties, we will commence with the first group this afternoon.

We have a couple of things to discuss first. There is a person in the audience, John Henry Skye of the Metropolitan Toronto Taxi Drivers Association, who would like the opportunity to speak. I believe he was here yesterday. He has handed in a brief that is slightly over one page. What does the committee want to do? This is not scheduled. As you know, we have three presentations in front of us this afternoon. What is your pleasure?

Mr. Mitchell: If time is available, I think we should attempt to squeeze him in while he is here.

Mr. Chairman: Where should we attempt to squeeze him in?

Mr. Mitchell: In honesty we indicated to these groups that are already here the time they could expect to be on. I find it a little difficult to say that we should rotate the positions at all, but certainly I think the gentleman should be able to be heard.

Mr. Chairman: We will put that at the end then.

The first set of witnesses is the city of Hamilton licensing committee: Alderman Lawrence; Mr. Hooker, the solicitor; Mr. Dembe, the licence administrator of the city. Would you come forward and take seats near the microphones?

If I may point out to the committee, this is exhibit 35 which is filed today. There is another page which is in the process of being photocopied. The clerk is now giving it out to you. It is exhibit 36. Please refer to exhibits 35 and 36. Who will be the spokesman for the group? Would you please identify yourself? Mr. Dembe is to the east. In the centre is Alderman Lawrence and Mr. Hooker is on the west.

Would you carry on, Alderman Lawrence?

Alderman Lawrence: Thank you very much, Mr. Chairman.

First of all, we would like to say that the licensing in

Hamilton has been working extremely well over the last eight years since many of the functions were transferred from the board of commissioners of police to the city. At times the city has been hampered because we lack the necessary legislation to control effectively certain activities, such as pinball and video establishments, cartage brokers, the whole area of transient traders and garage sales.

Our police still tell us that they recover in excess of \$100,000 yearly in stolen goods. Perhaps this new licensing authority may give us the additional controls to assist us in minimizing these problems.

I do not believe that the Hamilton city council or any other local council would abuse the licensing privileges set out in the new bill. The province has, in its wisdom, been transferring more power to local councils. I believe this has been a wise decision and should continue. I do not see us moving into a whole new area of licensing, but we will be able to achieve a clearer definition of the licensing powers we have at present.

Some parts of the Municipal Act are at present difficult to define inasmuch as the language is antiquated. The area of home occupation could be one that we might possibly move into as this is a high complaint area and we have little or no control through zoning or licensing.

So that you can get our feelings on this in the city of Hamilton, there has been an impression that we are just trying to license for the sake of licensing, but I want to say that in the last eight years we have had more requests from the community than we have requested of the community.

A typical example is the cartage people, who are asking us to give them better legislation so they can protect the trucking industry in the city of Hamilton, or perhaps in the region in some cases. We have had such people as refrigeration people who have come to us and said: "Please license us. If you do this, this will enable us to control our own industry and also control the following municipality...." Establishments that teach driving have come to us and said, "Set some kind of rules that are going to be fair to us and fair to the community."

I have had a lot of experience in licensing. I guess I have been about 15 years on licensing. We started with one inspector and increased our department to about 10 or 12 inspectors, not because we think this is a revenue-making situation but because of the demand of the people in the community. I do not know whether we are unique as a municipality, but we have been requested by outside organizations to do this.

I want to leave the impression as far as the city of Hamilton and area is concerned that the majority of our legislation--again I repeat myself--has been at the request of the community. Pinball parlours, for example, were asking us to improve that situation. The video game parlours were asking us to make sure they could have licences to establish them in the proper areas.

You will notice I use the phrase "establish them in proper areas." We are not trying to put them out of business; we are just trying to put them in the areas where they would not be a general nuisance to the residential areas that are very close to a strip commercial area. This is what we are trying to do.

As I said, I have had 15 years' experience on this. In the last three or four years we have been receiving a tremendous number of complaints from the citizens in our city. They say to us, "Why don't you do this? Why don't you license this?" One of the overall beauties of the thing is that the industries themselves have come and requested it of the municipality.

I think that is all of it in a nutshell. I am prepared to answer any questions as far as our municipality is concerned. We are quite happy with our licence department. We have a very effective licence department. We have a great deal of co-operation with the police department. You have to remember the size of the city of Hamilton; it is a fair-sized municipality. As I said, because of the demand of the community, in the last eight years we have grown from a department of two people, one of which was an inspector.

We can give you proof in writing of the point I have made to this committee. That is why we say we are very happy with the bill. It seems to us the way the bill is laid out we will not have to go running all over to different sections of the government. You have put it all in one slot. We can communicate with the government a lot better this way in cases where we want to improve our legislation.

We have no complaints with the bill. The only thing is, I am hoping that this committee will let us continue the way we have in the past few years.

Mr. Chairman: Thank you. I think Mr. Rotenberg has a question or two to ask of you.

Mr. Rotenberg: You mentioned "home occupation." What do you mean by that?

Mr. Breithaupt: I was wondering about that.

Alderman Lawrence: One of the complaints we have in our community is that in a residential area a person may have changed her home into a hairdressing establishment. I am using that as an example. One of the things it does is to make it very difficult as far as parking is concerned. Also, the operation changes it a little from a residential area. This is why people in residential areas say, "Put them up on a business strip, that is fine, but do not allow them to come into the residential areas."

2:20 p.m.

Mr. Rotenberg: Why can't you control it by zoning? If the area is not zoned for them, you can just have them moved out by your zoning enforcement.

Alderman Lawrence: I think we have controlled a great deal of it through zoning. The only thing is we feel, and you may correct me if I am wrong, that by having the legislation, if necessary--we have used the zoning direction, Mr. Chairman, and it has worked very well--the only thing we are asking for is as legislation to allow us, if necessary.

Mr. Rotenberg: The way Bill 11 is written, if they do not conform to zoning, you do not give them a licence.

Alderman Lawrence: That's correct.

Mr. Rotenberg: The other point you mentioned in your presentation was controlling video game parlours by area. It is our understanding that Bill 11 does not give you that power. It gives you the power to license anybody you want, but it does not give you the power to select locations. That has to be done again under your zoning bylaw. But there have been requests from municipalities to give specific extra power for video game parlours to municipalities. We are considering that, but the way Bill 11 is now written, it does not allow you to say what parts of the municipalities they can be in under licensing. It has to be done under your zoning bylaw.

Mr. Breithaupt: Nor does it deal with the nonconforming--

Mr. Rotenberg: It does not give you the power to remove any nonconforming ones by licensing.

Alderman Lawrence: We felt we should get the legislation to allow us to do those things, if necessary.

Mr. Rotenberg: What I am saying is you will not be allowed to use the licensing for anything (inaudible) as a method of zoning. If it conforms to the zoning bylaw, you license; if it does not, you don't. You cannot say under your licensing bylaw that video games will only go in certain areas. That is the power you do not get under Bill 11 on licensing. As you probably know, many municipalities have successfully passed zoning bylaws limiting video game parlours to certain areas--

Mr. Breithaupt: For the future.

Mr. Rotenberg: For the future, not for existing ones.

Mr. Breaugh: I have a couple of quick questions. The committee has heard a number of delegations now that are somewhat concerned over the wording in the draft legislation, and we have some assurances that the parliamentary assistant is prepared to look through that. I guess this is generalization. Some of us are concerned that the scope of the legislation as drafted seems a little bit different than the intent.

Do you have any concerns in that regard? If it stays as it is now, municipalities, for example, would be into a number of areas that I suspect municipalities do not want to be into, that is, attempting to determine the competence of various groups, and things of that nature. The obvious solution would be to encourage

municipalities to adopt some kind of provincial standard, whether that is a certification program or apprenticeship for plumbers or electricians or what not. Would that pose any problems for you if it did not get changed?

Alderman Lawrence: Possibly our solicitor, Mr. Hooker, can answer that.

Mr. Hooker: If there was a provincial standard, I think the city would welcome that. That would show the province's concern over the thing, and we would be guided by the provincial standard.

Mr. Breaugh: The alternative to that is something that I would propose, that is, to try to avoid, where we can, some kind of double jeopardy, the setting of two different standards for something. If we can identify that some particular business activity has a standard set by a provincial agency--the Liquor Licence Board of Ontario or Transportation and Communications or Colleges and Universities, some provincial agency that has put out a mark to be met, so to speak--we can try to put in the legislation an encouragement, or perhaps a little stronger than that, accept that as being the level of competence we are talking about in Bill 11. Would that be acceptable to you?

Mr. Hooker: There again, if I may answer, suppose it is a person who is in a specialized trade and he has his master's papers or something, the only purpose of city licensing then is not so much to test him and ensure his competence, but to ensure we know he is working in our area and he is within the jurisdiction of the city, you might say. If he brings in proof of his provincial certification, I can see the city not questioning that or trying to set up some higher standard or something.

Mr. Breaugh: Okay, so some movement like that, drafting the legislation, would not cause any problems for you. In fact, it probably would clarify the matter.

Alderman Lawrence: Some time ago, Mr. Chairman, if I may say, we licensed everything from electrician (inaudible) to a master electrician. The only thing is, we are interested in the master electrician situation. The simple reason is that generally he is the one who is in control of the job and of that nature, and it is only for that reason. As far as their qualifications are concerned, the provincial qualifications go far enough for them.

Mr. Breaugh: How about businesses such as restaurants and taverns, which are already rather rigidly regulated by a number of agencies? The prime one, I guess, would be the Liquor Licence Board of Ontario. Does the city of Hamilton feel any real need to enter into that in addition to health inspections and building code inspections and liquor licensing inspections? Is a need perceived in Hamilton to do some kind of further licensing and inspecting of premises like that?

Mr. Hooker: Could I answer that? Very often the city experience is that, say, a restaurant is licensed under the LLBO; but that is an annual or two-year licence, and once the operator

or proprietor has that he is licensed by the LLBO. But there is a need to ensure that there is cleanliness on the premises, cleanliness of the drinking glasses, for instance; so the health unit would still be inspecting, or the fire prevention bureau would be inspecting for fire exits and extinguishers and things like that. Does that answer your question?

Mr. Breaugh: Yes. Aside from that kind of stuff, though, do you feel any burning need to further license and further inspect?

Alderman Lawrence: No. As I said earlier, as far as licensing is concerned, we do not want to license for the sake of licensing. Let me put it in this position: The more we want to license, the more staff we would require, and we do not want to license those things unless they are of concern to the public. Those licences that we have, as far as we are concerned, are of concern to the public, and that is what we are basically interested in.

Mr. Breaugh: One little paradox that we are caught in here is the easy consensus that the current kind of dog's breakfast of provisions under the Municipal Act and other acts that are out there that allow municipalities to license really needs to be clarified, put into one code and one set of rules applied across the province.

We are all in agreement on that, and I think we are fairly well in agreement that it ought to be loose enough so that if some new business venture comes up next month, it should not take 18 months of discussion, debate, private members' bills, private bills and all of that to rectify the problem. We should have a level of government that can identify that there is a difficulty there, we should move in and license and regulate and get this thing on track. So we are all fairly well pleased with that process.

But the other side of the coin is that I keep hearing business, the Association of Municipalities of Ontario and other municipalities say: "We do not want to regulate. We do not want to license. If there is a problem, we want to move in on there." But then flowing through all the municipal correspondence I get there seems to be a trendy issue every year. This year it is video games. I do not know how these became such a vicious and evil thing in our society, but everybody seems to be stomping all over himself to wipe out video games.

Now, if the attitude as you have put it is that it is necessary to do some work on where these arcades, for example, are located, I am in agreement that they should not be in the middle of a residential neighborhood and that there is some sanity under planning bylaws and things like that to do it, and I have no problem with licensing the premise. But it is going a step beyond that that concerns me, and that is that I do not elect a municipal council to be a guardian of my morals; I do not elect them to be a censor board; I do not elect them to decide whether a video game is good, bad or whatever.

So my lines are fairly well drawn there, and I know that you, like every other municipality, have to respond to groups who say, "I do not like them." That is my problem. Whenever a municipal council starts saying, "We sense that in our community people do not like this, that or the other thing, so we are going to wipe them out. We are not going to regulate them; we are going to put them out of business," that is my problem.

Are you reasonably happy that we accept the stance that it is not a municipal council's job to become a censor board for a community?

Alderman Lawrence: Mr. Chairman, I do hope I have left the impression with the board that we have not come here as a vigilante type of group of people--in other words, that there is something new on the market and right away we want to squeeze right into it without any cause. We do not want to put ourselves in this position.

2:30 p.m.

I was trying to use an example earlier, Mr. Chairman, and I had said that in the last four or five years the additional licences we have put on the market have been requested by the people in the field. They wanted to make sure their credibility and their business practices were good and sound, but they were concerned about other people who came under the same guise but whose business practices were not sound and good.

It is amazing to me--and, as I have said, I have had about 15 years' experience in licensing--that the trend now is that people are coming to us, and I do not mean a narrow-minded group who are against the malls and things--I have not talked about that at all, or tried to judge the characters or the morals of other people. The trend we have, Mr. Chairman, is we have a problem, let's say, in the refrigeration field. There are 10 or 15 people--and I have met 10 or 15, not one or two--across our municipality who have said, "Please, Mr. Lawrence, try to make some legislation to protect our avenue of business." This is what has been happening as far as the city of Hamilton is concerned over, I guess, the last four or five years.

Realizing that, in the position of a politician, you get the people who are against anything, we face that and we face the pressure of a group saying, "We are 300 people and we are against whatever the situation may be." I think we can prove to this committee in documentary form that we have not taken that attitude. But we want at least some sense of responsibility, wherever the thing is going.

We would not turn around and say, and we know we cannot do this, "We do not want to put it right next door to Daisy's house. She has a lot of problems. She has to go through a lot of hardship." We want to make sure that whatever the thing is, it is put into a proper area. The chairman pointed out zoning and reminded me about that. I am aware of that, Mr. Chairman. But this is really, in essence, what we are trying to do as far as the municipality of Hamilton is concerned.

Mr. Breaugh: I'm just a little concerned, because there is quite a difference between what the municipalities traditionally have asked for and what is printed in this bill as it is currently drafted.

For example, because the bill is so comprehensive, if I were sitting on a municipal council somewhere and somebody came to me and complained about the price of gasoline at the corner station, I see provision under here where I could license Imperial Oil, Shell and everybody else. Then I could bring them before my council and say: "Listen, you guys are charging too much for a litre of gas. I don't like litres of gas anyway, and I want it sold by the gallon." I have provision under this bill, which is pretty broad, to allow me to do that kind of activity.

I'm not so sure that is really what municipalities were asking for. But I think there is a need to try to clarify so that we can get a little closer to the intent when we express that in the actual wording of the bill.

Alderman Lawrence: Mr. Chairman, may I ask this committee a question? Are our proposals not clear to this committee? Do you really know what our intention is? As far as the legal presentation goes, Mr. Hooker has a very short brief. I would like him to have the privilege to read it out as far as the legislative part is concerned.

Mr. Chairman: Yes.

Alderman Lawrence: When you are hearing from a politician, it is not right down in the legal language.

Mr. Chairman: Right. Could you carry on with that, please, if you would?

Alderman Lawrence: We would appreciate that. If there are any more questions you want to ask me, fine. I will try to get off the hook.

Mr. Hooker: Mr. Chairman, I came to praise the bill because, as this gentleman over here said, in the past the Municipal Act seemed to me, with respect, to be a bit disorganized and had all sorts of different sections on licensing and different things and some very antiquated phrasing, like "victualling house," "oyster-house," "ordinaries," and so on. There seemed to be a need to clear up some confusion. I take it from what was said that is recognized and need not be pressed.

Another point I was going to make was on the unfortunate delays experienced sometimes because a kind of problem arises. It may be strictly local, or it may be province-wide, or it may be in certain areas of the province. The municipality says: "This is a real problem. It is not an imagined problem. It is not coming from a pressure group or something, but there seems to be a need to deal with this. Let us see what the Municipal Act says about it."

Very often it is found there is a missing piece of the jigsaw puzzle, there is no power to regulate it, and so there

would have to be a request for special legislation. That would take time because the Legislature has its own schedule, of course. Meanwhile there may be an aggravation of the problem.

This bill would, as I see it, give the municipality power, first, to recognize the arising problem and then check the act on municipal licensing and see whether this would come within that act. They could then pass their own bylaw to license the industry or the type of activity and there would not be this delay which sometimes exacerbates the problem.

I respectfully agree with the alderman that I do not see municipalities using this power rashly or unwisely. If they did, there is always the courts to act as a check and I think that is a real check. Hamilton has had, in past years, a few experiences where it did something wrong. The courts struck it down and there was a severe financial penalty to the city, which is a penalty to the taxpayers.

Also, if the city of Hamilton, for instance, decided to run wild with this new legislation, licensing--

Mr. MacQuarrie: Would those be cases where the council abused its licensing privileges?

Mr. Hooker: The case I am thinking of is one where an unwise procedure was followed to revoke a licence. This was several years ago, of course.

Mr. MacQuarrie: I just noticed the sentence in the main presentation where it was doubted that any municipal council would abuse its privilege. I just wanted to find out whether this was an abuse of privilege.

Mr. Hooker: No. It was a properly licensed business, but the procedure followed on that particular licence was not the right procedure. I think it cost the city something like \$50,000 plus court costs and the city very quickly learned that you do not do that. As I say, they are answerable to the taxpayers, whether it is Hamilton or a very small crossroads municipality.

As I was about to say, if the city started licensing things wildly, creating all sorts of new categories that were not needed, in this period of time when cities all over the province are seeking development and relocation of industry, they just would not get it. The industries would say: "They do not have any common sense. They will license us to death and regulate us to death."

I think it is a matter of common sense that the city is not going to license things it does not need to license, or that people do not want licensed. In fact, in recent years Hamilton has eliminated quite a few licences it used to have because they are simply not needed--street photographer, for instance, cartage vehicle driver, fuel dealer, tobacconist. There is no need to license a tobacconist, so we got rid of the licence.

But there is need to license, in my opinion, places where large numbers of people resort, such as theatres and public halls,

places where there is a possible risk to people's health if there is improper maintenance or sanitation. There are some businesses where experience has shown, unfortunately, that the particular type of business not only requires licensing and regulation but also close regulation from time to time.

2:40 p.m.

As I see it, with the licensing fees permitted by the bill to a municipality, there would not be an incentive to a municipality to create all sorts of licences, because the fees are designed merely to offset the enforcement and administrative costs; they are not designed to bring in revenue to the cities.

That is as much as I wanted to submit at this time, unless there are questions.

Mr. MacDonald: I have a question of Alderman Lawrence. There was one element of your testimony that rather intrigued me. You expressed general satisfaction with your licensing procedures and experience in the past four to eight years and with Bill 11. Would I rightly conclude that Bill 11 does not impact at all in a negative fashion on your current procedures?

Alderman Lawrence: Not to my knowledge. We have been very satisfied with the way we have been going, and we want to make sure we can continue in that direction.

Mr. MacDonald: You found nothing in the bill that would force you to alter your procedures to what you deem to be a less satisfactory process?

Alderman Lawrence: As I said earlier, we feel this bill will really help our situation as far as the channelization between the province and ourselves is concerned. Like all bills, there are some things here we wish you did have and did not have. It is never the perfect legislation that we want.

Mr. MacDonald: Let me test one point. I was rather curious at the evidence from the corporation of Sarnia to the effect that it now receives about \$37,000 a year in licence fees. Under this new bill, on the \$10 and \$25 figure, if they did not avail themselves of the recovery power that is included, their revenues would be dropped to between \$6,000 and \$7,000; so they conceded that they were getting a measure of revenue.

Alderman Lawrence: On several occasions, our council has been concerned about the revenue situation. We are not thinking of saying we go away from here and we double our licence fees, etc., but basically as long as our revenues from licences pay for the staff we have to operate it and, where it is necessary to take a certain part of our legislation and our problems to court, that those licence fees would pay for the court costs and the operation of the licensing.

I will give you a typical example. We hired two extra people on our staff about two months ago. Council said that as long as it comes from the revenues from licensing and as long as that is

necessary to the community, there is no problem. We feel we do need revenues for licences to operate.

There are some cases where we want to take people to court, not realizing there is a great possibility we would lose the court case. But the thing is, we would put ourselves in a position, if we had that revenue, to say, "We will go to court and through the court procedure we can solve our problem." That is our viewpoint on the revenues.

I think there was talk of a recommendation some years ago by the province, and it was a scare to us, that the fees would be reduced to a level where we could not operate. As far as we are concerned, we can operate as long as we have a fee so that we can let this thing operate, as long as we have a fee to cover such things as court and to look after the functions of the staff. If we do not get enough revenue to operate, we feel we then have to go into the general rate, into the taxpayers' coffers, for that.

This would look after it by preventing this from happening. As long as we get enough revenue to operate our system, we would be happy. We are not out to make money, to say, "If we put the licences up this year, we can get \$200,000 to put in a new recreational program, road or sewer." That is not our intent, nor is it the intent of our council.

Whatever I am involved in, I like it to be the best. The council said, "Fine, Lawrence, you can have the best providing the general taxpayers are not going to suffer, as long as the revenue is enough to keep the thing in operation."

Mr. MacDonald: I have a final question, to put it more specifically. I would judge, in view of the fact that you have a department of 10 inspectors, you must have a budget upwards of \$250,000.

Alderman Lawrence: That is correct.

Mr. MacDonald: As I understand it, the act at the moment permits you to fix fees at whatever level you wish. Now it is suggested it is \$10 or \$25 or the recovery if you want. If you are reduced to \$10 or \$25, I assume you will have difficulty raising \$250,000 to maintain your existing department and therefore you will have to move to some degree to recovery power.

Alderman Lawrence: As long as we receive enough fees to operate as a licensed operation and not operate in a situation where we can get revenues for other things, but strictly for the licensing operation. That is one of the things I may not have put very strongly. This is one of the things we are really a little frightened of.

In the city of Hamilton, we think we have about the best licence situation there is. We all brag about our communities from time to time, but I must remind this board that we came from a one-licence situation. We had fly-by-nights, aluminum siding people and chimney people. I think Mr. Hooker can bear this out.

One year we had something like 50 to 60 court cases about fly-by-nights.

Because of our staff and our examination board, which no other municipality has, a tradesman who is doing repair work has to qualify to go out there and do proper repair work. A citizen does not have the difficulty of knowing that the person who is going to renovate his home is not a qualified person. That is where the thing has gone.

We have set up a system whereby we have an examining board. I do not think this year or the year before we have had one court case about poor workmanship. A few years ago the citizens of our municipality were getting poor workmanship, fly-by-nights and everything else.

I want to say in all sincerity as far as our municipality is concerned that as long as you people allow us to have enough revenue to operate the system and not operate to the extent where we are going to use it for other purposes, we would be more than happy. We are very serious about this.

Mr. Brandt: I have some questions that you can probably answer fairly quickly. What is the amount of revenue generated by licences in your municipality now? Just give me a ball-park figure.

Mr. Dembe: We are approximately in a break-even situation right now. I did not bring exact figures, but we are at a slight loss at the present time.

Mr. Brandt: Do you know the gross amount by any chance?

Mr. Dembe: I am not exactly sure.

Mr. MacDonald: Upwards of \$250,000 was low.

Alderman Lawrence: If you take a guestimate figure, it is in the neighbourhood of \$300,000.

Mr. Brandt: About \$1 per capita? I am trying to get a handle on what this is in terms of the total provincial picture.

Mr. Dembe: We do not include the enforcement aspect in these situations, so it is hard to judge.

Mr. Brandt: The licences you issue are obviously from the city of Hamilton, but being in a region, do you have any difficulty with the boundary problem in terms of licensing when there may be some contradictions with Burlington, Ancaster or whoever else might be in your area? I believe Burlington is out of your region is it not?

2:50 p.m.

Alderman Lawrence: That is correct. Mr. Chairman, you must have been looking into a crystal ball because last week the region was talking about working some system with the taxicabs as far as the situation in the region is concerned. One of the

problems we have is that a taxicab is not allowed to go from one community to the other community, this type of problem. This is the first time, I guess about the first issue, that the region has suggested we work in a co-operative manner. We have a problem the same as the other municipalities and we are working towards this, I guess, within the next few months.

The other thing I may point out is that one thing we changed from city to region was the trades. One of the problems with our tradespeople is that a builder had to go to Ancaster to work in Ancaster. If he went into Hamilton he had to have a Hamilton licence. If he went into Stoney Creek, he would have to have a Stoney Creek licence. I was on the ad hoc committee of the region. We have now worked out the system that they only have one licence to work in the area of Hamilton-Wentworth.

By the way, this is a private bill that is before the Legislature; I should correct myself. As far as the region is concerned, they wanted one piece of legislation. We are running into those problems now. There are two examples. We are on the road of trying to recover that situation. There has been some good co-operation.

Mr. Rotenberg: It is a regional act?

Alderman Lawrence: That is correct.

Mr. Rotenberg: You want those trade licences to be issued by the region rather than by the municipalities?

Alderman Lawrence: That is right. Here is a case where the tradesmen from the different municipalities got together and said, "Hey, what can you fellows do?"

Mr. Rotenberg: I think I have indicated to this committee before as it came up that, as it pertains to regions and local municipalities, where the governments in a region agree on who should have what jurisdiction, as a government we are quite willing to pass such legislation. There will be no problem with that.

Alderman Lawrence: There will be a time in the future when probably a lot of this will not just be city-oriented, probably it will be regional. There is a spirit of co-operation right now in working on those things as those problems come.

Mr. Brandt: In the actual application for a licence in your municipality, is it the department of the clerk's office that handles it now, or do you have licensing officer? Could you give us some indication of what happens during the actual application? How is it dealt with in a logistical sense?

Mr. Dembe: The whole process of that?

Mr. Brandt: Briefly, yes.

Mr. Dembe: Applicants come to the office to apply. They are processed through the various departments after they

supposedly can meet all the conditions. The application is processed routinely through our licensing committee, all conditions being met, and the licence issued. We have a computer process where it is all placed on our computer, which we have found to be an excellent system over the last four or five years. Licences can be automatically renewed each subsequent year assuming there are no problems in the meantime.

Mr. Brandt: I am borrowing from a thought expressed by Mr. Breaugh in an earlier discussion. During the course of the actual application, if the clerk, the licensing officer or whoever deems the application to be inappropriate, or for some reason this particular applicant does not qualify, at what stage is the applicant notified?

Mr. Dembe: He is notified to appear before our licensing committee for a hearing perhaps as to whether he is of suitable character or on whatever other problem there might be. Then the licensing committee, along with our legal advisers, would attempt to resolve it.

Mr. Brandt: In any instance, would he be denied the right to make out an application?

Mr. Dembe: No, that is not the case here.

Mr. Brandt: Let us say that there was a criminal element in your community and this guy was known to be--I know there are no criminals in Hamilton; perhaps in Ancaster there might be the odd one, but I know there would be none in Hamilton.

Mr. Dembe: Perhaps a good example might be if you had a cab driver who had a very bad driving record. We might advise him that basically he would be wasting his time, but he has every right to appear before the committee. They have their policies as set out, the number of demerit points, etc., and the industry, of course, wants only good drivers. So the best we might do there is advise him that he may not get his licence. He still has the right and we advise him of that. He still may appear if he wishes.

Alderman Lawrence: If I may, Mr. Chairman, may I make a follow-up on that? If a person with a record--a speeding record if we are talking about taxis--finally comes to our committee, which is a committee of three elected people, he knows he has been going 80 miles an hour, drives like heck, has run over a few old ladies or something like that and is really a bad driver. He goes before our committee and we make the decision.

In very few instances do we turn him completely down. What we do is say: "Okay, Bob, we are going to give you a three-month trial. Let's see how you drive. But the first infraction that you get, you have to bring your plates in." The reason we say this, and we emphasize it to our drivers, is that we are very fussy about the taxi industry.

Luckily, to this point we have worked in co-operation. Generally what we do is to give the person a probationary period. For your information, all those who have been given probationary

periods in the past three years, and I do not know why, have not boomeranged. We have not had to come back and say, "Hey, we warned you about this."

It has been a pretty good warning, and when we warn them we are very serious about it. I say: "Let me tell you something, fellow. I don't care if you wrap that car around a pole yourself. I am not interested. But the point is, you are now getting a licence as a professional driver. You are now responsible to the citizens. If you get into an accident or a problem, a citizen will come to the committee and say, 'How come you nuts are letting these people on the road?'" Generally we are working through that, and it has worked fairly well.

Mr. Brandt: Let me give you a tougher one. What would happen in a case of an application for a taxi licence upon receiving information from your police commission or police force that there was an indication the applicant had a six-year-old charge on his record for child molestation, say? What would you do in that case?

Alderman Lawrence: First of all, it has to be any record from five years back. It is only the past five years that we deal with. We have come across that situation. If they come with a gentleman from the John Howard Society, Salvation Army, some other social agency or a priest or a minister, generally we have a feeling that the priest has talked to that person or that the John Howard Society has said: "Look, you are up for grabs. This is it if you don't get this licence." Therefore, we do give that kind of concern to that driver. Normally we give him a probationary period of three months or six months.

I do not know why--I have to touch wood--but with the ones we have approved, and with some of them we really doubted whether we should have let them in the trade where they could cause some problems for the wife or the children, so far we have not had one complaint. I know we are going to some day. I do not know whether we are cocky in the odds we have had, but we have been rather (inaudible) that way.

Mr. MacQuarrie: Do you have a limitation on the number of taxis?

Mr. Dembe: Yes; there are 241 at the present time.

Mr. MacQuarrie: Are you up to full complement now?

Mr. Dembe: We have 241 on the road full-time.

Mr. Brandt: How many drivers?

Mr. Dembe: We have perhaps a couple of thousand.

Mr. Brandt: Is there any limitation on drivers?

Mr. Dembe: No, there is not.

Mr. Brandt: Let us assume for the moment that you have

turned down an application for whatever reason--not necessarily a taxi or cab licence. The argument has been put forward that under Bill 11 the appeal process is now to council and that council would make the final determination as to whether that licence should be granted.

The argument runs something like this: Council is part and parcel of the process all the way through from the time of the application in that they are responsible for the administration of city hall, have something to do with the policies under which the bureaucracy in city hall operates and so forth, and that the appeal mechanism is really a question of an in-house decision being made by people who are all part and parcel of the very same process.

Do you see anything dangerous in that? I am asking you to argue from the other side for the moment, or at least to look at the other side of the case as one who would make an application, be rejected for valid or invalid reasons, and then have to appear before a tribunal which was an in-house tribunal that was part and parcel of the total picture of the application process in city hall.

Do you see any problem with that? Do you believe that a council can operate totally objectively, fairly and reasonably in all instances? That is where the applicant goes. He has no other recourse or any other appeal that he can employ to use as a device at that point.

3 p.m.

Mr. Hooker: Can I answer that, or partly answer it? Alderman Lawrence might answer the rest of it.

As Alderman Lawrence said, the licensing committee in Hamilton is three aldermen. They meet once a month at night. They deal strictly with licences. As far as I know, the other 14 members of city council have no interest in licences on a routine, monthly or annual basis, except perhaps as to the revenue.

When a person appeals from Alderman Lawrence's committee to the city council--and his committee only makes a recommendation to council to confirm their decision--the council considers it from a blank slate. They have had no involvement with it.

We had a case about a year ago where Alderman Lawrence's committee was recommending revocation of an existing licence and the person who had the licence went to some other members of council and got them to speak for him in council or before the licensing committee.

My point is that most members of council either do not necessarily follow the licensing committee's recommendation or they are not influenced anyway, if you can see what I mean.

Just because they are all in city hall does not mean they are all ganging up on a person and rubber-stamping anything the licensing committee does. They are considering it just as a report from some committee it has never seen before.

Mr. Brandt: Just as an extension of that, I served on a council for 10 years as well as in the office of mayor. I know there is a thing called influence on the part of the citizenry as it relates to an elected council. The suggestion has also been made that if you are going to license a particular type of business and if you were lobbied strongly by a citizens' group, the council could be influenced to not allow that kind of business.

The bill very directly and very specifically points out that any moves by council under Bill 11 are not to be monopolistic in any sense. However, would you not agree there is the possibility that a council could make a determination that there are 10 variety stores in the city and an 11th variety store is not in the best interest of the 10 that are already there and block somebody off? Do you see any fear of that happening? That happened with gas stations in some municipalities not too long ago.

Mr. Hooker: Would the person not say: "I have made the application and tendered the fee. I qualify under the zoning and all the other requirements, and now I am going to go to court for mandamus. You cannot deny me. I have the right"? Unless this bill somewhere permits the council to limit the number of facilities in a particular place.

Mr. Brandt: No, we have had some tavern operators who have come in to see us. One case was put before us this morning--I could not be here for the entire hearing, but I did read the presentation--of an establishment that is worth well in excess of \$1 million and where there have been a number of ownership changes in that establishment as a result of losses of money and so forth; it was suggested that under Bill 11 the council could revoke the licence and put the individuals out of business retroactively--not only allow them to come in in the first place but also take away their right to operate after the fact.

Alderman Lawrence: If I may put it this way, any way you work it there could be some weaknesses. We are quite satisfied with the bill but, like all bills, there can be some improvement.

In our situation, what happens is that, first of all, the zoning is correct; regardless of the pressure by people the zoning is correct. As long as the gentleman, or whoever the person may be, puts it in while the zoning is in effect, that is it as far as we are concerned and as far as the licence committee is concerned. We do not have powers to say yes or no because of the colour of your eyes or the colour of your hair; it has to be strictly a criminal situation, speeding or something. That is all we deal with.

Getting back to the zoning, the gentleman threw the ball in my court a little earlier about that. The zoning looks after it. If the zoning is proper and everything is proper, there is nothing we can do as far as the licence situation is concerned. I just look at it and, if the zoning is fine, okay. Then you come and tell us why we should allow you to have a licence.

Mr. Brandt: What if it is nonconforming, where the zoning is not all right, but they have been operating there?

Alderman Lawrence: A nonconforming use has to continue as a nonconforming use.

Mr. Brandt: In other words, you would not use the licence as a weapon.

Alderman Lawrence: No. It is not our affair.

Mr. Brandt: I just wondered if you had--

Alderman Lawrence: In our situation the planning board would say to me: "Lawrence, you look after your problems. We will look after ours. Mind your own business, and we will deal with the zoning." That is the way the city of Hamilton administration goes. I think it is good that way.

A criminal situation is basically the only reason we can deal with it, or a speeding situation. Then we review it. Basically there are very few--I would not say we have not turned any down--but very seldom do we not say, "Okay, you have a three- or six-month probationary period." So we can say to the guy: "Look, we are giving you a chance. Now don't let us down. You have three months." At seven months, eight months, or a year after, if they have to be disciplined they will be.

I want to point out another situation we have in our municipality. Taxis are a very difficult operation because of their nature. In our situation, when we took the licensing function over from the police commission, we encouraged a meeting of taxi owners and the city, the licensing committee. From time to time, we study their problems. They make recommendations. They are a great help to us in many ways.

Generally, we have the kind of discussion where we can work in co-operation, where we ask them what they would do about licensing taxis in the city. We have tried to get that input, and that input has been fairly successful. This is the type of thing we are doing. There is a real spirit of co-operation. It can break down from time to time. We might have a war next week, I don't know, but the spirit of co-operation is there and of encouragement.

Mr. Chairman: Thank you, gentlemen. There being no further questions, I thank you for your presentation.

The next group is the city of Mississauga building department, Messrs. Nesbit and Burch. They have been in the audience before at these proceedings. Would you come forward, please? I would point out that exhibit 37 is the exhibit filed today by the city of Mississauga. Might you characterize your brief as being strictly on the taxi situation?

Mr. Burch: That's correct. In addition, the city will be filing a written submission on the entire bill, but there is no oral presentation on the overall. We are just here to talk about the taxi industry.

Mr. Chairman: Right. Because we have yourselves and the licensing people of Metropolitan Toronto and two other individuals

who wish to speak to us briefly, I would ask if we could condense it. You do know virtually what has gone on here in the taxi presentations to us. Could you very briefly summarize your understanding of the Metro Toronto situation? We do know about the airport. We have heard from the Mississauga taxi owners. If you could pick it up--what I am trying to say is, don't reinvent the wheel.

Mr. Rotenberg: Especially as there are four wheels on a taxi.

Mr. Chairman: But you do have a certain perspective here we would like to hear.

Mr. Burch: I would like to introduce myself. I am Gary Burch. I am the manager of administration for the building department in Mississauga. Sitting beside me is Mr. Ron Nesbit, and he is the manager of public vehicle licensing for the city.

3:10 p.m.

To capsulize the whole thing, I would like to bring to the committee's attention resolution 4 or, as you have called it, exhibit 37. I have a little to say on that, but I think it is self-explanatory. It is the city's resolution and it supports the Mississauga Taxi Drivers Association. There is a variety of correspondence between the minister, the city and the association. It backs the taxi drivers fully on the request they presented to the committee yesterday.

I would like to call on Mr. Ron Nesbit to elaborate a little on resolution 4 and the taxi industry in Mississauga.

Mr. Nesbit: Mr. Chairman and members of the standing committee, basically the changes the city of Mississauga is requesting on behalf of the taxicab industry are that the new act provide for the following:

A taxicab be permitted to pick up outside its licensed municipality on a prearranged basis only, provided that the fare is returning to the municipality in which the taxicab is licensed. Also we would, of course, like to have continued in the act permission for the taxicabs licensed in our municipality to continue to pick up in our municipality and deliver to wherever the passenger wishes to go. In other words, as you heard from Mr. Ron Cowan from the Mississauga Taxi Drivers Association yesterday, we are requesting free trade for all municipal taxicabs, provided the fare is either originating or terminating in the licensed municipality of the taxicab.

As Mr. Cowan stated, if these changes are legislated into the act we would be willing to give up the exemption for the airport permitted taxis for picking up in another municipality and returning to the airport. We would be willing to have that deleted from the act.

Mr. Rotenberg: You would not need it.

Mr. Nesbit: We would not need it, not if we got--

Mr. Rotenberg: Markham cabs that are licensed for the airport would probably be cut out.

Mr. Nesbit: There are other municipalities that would have a say in that, though.

Mr. Epp: Do you have a list?

Mr. Nesbit: Yes. Mississauga has 149 permits at the airport, Metro has 69, Markham has 52, the township of Vaughan has nine, Brampton has 12, Richmond Hill has six, and three municipalities have one each: Fenelon, Dundas and Pickering. That is 300 airport taxicab permits.

Mr. Brandt: If I may interject for a moment, we have a letter before us, not signed, dated July 22. I do not know whether all the members of the committee have had a chance to read it, but it indicates that 234 permits have been given to Mississauga and 69 to Toronto. Are you saying that is wrong?

Mr. Nesbit: Yes.

Mr. Rotenberg: That is wrong. There are 231 non-Metro and 69 Metro. I have a little map showing this. Do committee members have a copy of this?

Mr. Brandt: I guess the number referred to in the letter that we have is the total, not just Mississauga's number. It is off a couple.

Mr. Nesbit: If the new legislation allowed a pickup outside our municipality as long as they returned to our municipality, we would also not need the other exemptions that are now in the Municipal Act. That is, there would not have to be any exemptions for children going to special educational institutes or physically or mentally handicapped persons, because then our taxis could go on a regular basis to Toronto, Hamilton, Oakville or wherever and pick up the child on a to-and-from basis.

Also, from those permits that were issued in 1978, there have been two taxicab brokerages established in Mississauga that have built up their business to quite an extent where they operate to and from the airport as they are legally allowed. With any change in the legislation these companies would go under, if they were to operate on a one-way basis. Over the years since 1977, when they were legally allowed to work both ways, they have built up their business for prearranged fares.

As I think everyone knows, there are also 195 airport limousines which operate to and from the airport on the airport permits. We must remember the most important person in any changes we make to the act--that is, the passenger. As a lot of you are accustomed to doing, the passenger is using the special services offered by the limousine companies. If the airport-permitted cars were not allowed to pick up in different municipalities, this type of service would not be available to certain citizens.

I am open for questions.

Mr. Rotenberg: If you allowed other taxicabs to come to Mississauga to pick up by prearrangement, would you have difficulty in enforcing that? First, how would you ascertain whether or not it was prearranged? Second, how would you ascertain, unless you followed the cab, that he did not drop a person back in Mississauga or Brampton or somewhere else, but actually took him back, say, to Metro Toronto in a Metro cab? Would you have difficulty enforcing it if we brought in that regulation?

Mr. Nesbit: It is very hard to enforce right now. In whichever way it would be a difficult job for the inspectors to enforce. Yes; he would have to follow the fare or the taxicab to make sure it did leave the municipality. If it did not, he would lay a charge.

Mr. Rotenberg: At the present time (inaudible) you have airport plates, anybody who picks up in Mississauga is automatically in violation of your bylaw. That is easy to enforce if they pick up. But if you carry it one step further, do you think it is possible to enforce that, or is it going to be so difficult you just throw up your hands? I am talking about under your proposal.

Mr. Nesbit: I do not think it would be any more difficult than it is now. It is difficult now, but I think it would make it easier. There would not be so many taxicab companies which have contracts or charge accounts that they feel they have to fulfil. They send a taxicab out hoping they will not get caught, the same as our taxicabs do in Mississauga. They have a charge account with some company downtown. They take a chance on sending the car down to pick up a parcel. Toronto does it also. In this case, these companies would be able to continue to operate without the fear of being charged.

Mr. Rotenberg: How would you ascertain prearrangement if you are trying to enforce this?

Mr. Nesbit: An inspector can ascertain pretty well when a taxicab has been flagged down. If, for instance, a Co-Op taxi pulls up right to the door of an office in Mississauga and a passenger gets in, you would have to presume that was a prearranged fare. Also, you can ascertain from the passenger whether it was a prearranged fare.

Mr. Epp: Were you involved in the licensing or anything to do with the taxicabs in 1978?

Mr. Nesbit: Yes.

Mr. Epp: Why was this special privilege extended to some of the cabs at that time when it must have been obvious that difficulties would be on the horizon by extending this particular privilege to 300 cabs and not to others of the total few thousand cabs that were available at that time?

Mr. Nesbit: In 1968-69 and into the 1970s, Mississauga had the exclusive right of taxicabs at the airport. Some Toronto taxis took exception to this and stated that if the fares were returning to Toronto, they had a right to bring those fares back to Toronto. So they came to the airport and picked up passengers and were charged. They went to court and it was ruled that if the fare was returning across the boundary back to Toronto, they had a right to pick up the fare. So it threw the airport kind of wide open.

Mississauga really did not mind Toronto coming in under that particular decision. Toronto could come in because, as stated here yesterday, a lot of the fares are coming back to Toronto. But the taxis not only came from Toronto, they came from Markham, from Pickering, King City, even from Tiny township; you name it, they were there. It was just complete chaos.

3:20 p.m.

Mr. Breithaupt: And would go anywhere, not just to their municipality.

Mr. Nesbit: Go anywhere. They were wrecks of cars, no licensing authority over them. They just picked up a little tin plate at some township, and it was real chaos. Something had to be done, and I imagine practically everyone in this room has experienced the problems that were up there in those particular years: refusing fares if they were not long enough, charging whatever the market would bear. Something had to be done, and everybody agreed. So they came up with the idea that there would be an airport permit and that each person would be interviewed and approved to receive an airport permit. It was on a first come, first served basis for the licences.

Mr. Breithaupt: And was that the number that has continued, this number of 300 or so--

Mr. Nesbit: It started with 300.

Mr. Breithaupt: --that they thought was sufficient to deal with the needs of the airport?

Mr. Nesbit: Yes, that's right. The Ontario Highway Transport Board received all the applications and made the recommendations to the federal Department of Transport as to who should get the licences.

Mr. Breithaupt: Have there been any increases in that total since, or has that total stayed as it was?

Mr. Nesbit: That is the number it started with, and it still is at this moment.

Mr. Epp: One of the solutions you have proposed is the one where you should be able to deliver fares from your own municipality to another municipality and also on a prearrangement basis bring fares back.

Mr. Nesbit: Right.

Mr. Epp: The other one, of course, one that the Metro cabs want, as expressed yesterday, is the one where you can only take them from your own municipality to another municipality and then you come back empty.

Mr. Nesbit: Deadhead back, as they call it. Yes.

Mr. Epp: So as I see it, if the committee is going to make any recommendation, those are the two alternatives that are before us.

Mr. Breithaupt: There is the third, is there not, which would be simply to treat Mississauga and Metropolitan Toronto generally as one package and allow those two cabs to go anywhere within that larger area. I think that was another opportunity, at least, which I do not think is wanted by that group, it would appear.

Mr. Epp: Certainly Mr. Cowan opposed that yesterday, but that was--

Interjection.

Mr. Epp: That's right. That's a third option that we have: treating it for the purposes of taxicabs only as one metropolitan area, where you would have one licence for common use for Mississauga taxi drivers and Metropolitan Toronto drivers. Would you have any opposition to that?

Mr. Nesbit: I do not think I could comment on that at this time. I would have to get the feeling of our authority and also of our industry. I do not think it would be fair for me to comment on that at this time.

Interjection: It is one way out.

Mr. Nesbit: Yes.

Mr. Brandt: As an extension of Mr. Epp's questions, a supplementary, if I might: The question of a pickup at the airport by a Mississauga cab and a drop-off in Metro Toronto causes me some concern. If the operation is working according to the licensing agreement, then the Mississauga cab should not be doing a pickup in Metro Toronto and delivering in Metro Toronto. Is that correct? That is your understanding?

Mr. Nesbit: That sure is.

Mr. Brandt: How in the world would you ever police that, other than by some kind of trust-me system that does not seem to work in the real world of economics and everybody chasing a buck? In other words, you have a built-in problem that is almost like a festering wound that is never going to heal itself, unless you establish some kind of huge bureaucracy at a time of government restraint to police something that certainly is not worth it from

a government standpoint, other than to bring some kind of peace to the taxi business.

But here you have people who are literally taking fares away. I believe it is happening, to what extent I do not know; but we hear the horror stories, as I am sure you have heard them, about Mississauga cabbies parking on off-streets of Toronto and grabbing fares to the best of their ability to make up the money that it has cost them to run into Metro or whatever.

How do you police that? Is there a way other than the trust-me system?

Mr. Nesbit: To add to what you have said and what you read in the papers about Mississauga taxis picking up in Toronto, as a licensing manager we have also laid 81 charges against out-of-town taxis picking up in our municipality and the majority of them are Toronto taxis. So it is going both ways.

Mr. Breithaupt: I suppose you have got really a fourth choice in these suggestions. That would be to have one line of cabs that happen to be Metro-licensed cabs which are going to take people into Metro and another line of cabs that are Mississauga cabs which are going to take people into the Mississauga area. Here again is an opportunity to sort the thing out. Maybe there are now four choices instead of two.

Mr. Nesbit: At the airport you would never be able to do that. Markham would want to line up to take fares back to Markham. Brampton would want to line up to take fares to Brampton. I do not know what kind of a system you would have to have.

Mr. Breithaupt: Maybe you will have an "others" rank as well because the groups that are involved are very few by proportion. I do not know. I think we are all just sort of thinking out aloud.

Mr. Nesbit: Yes.

Mr. Rotenberg: That may be a choice, but not a choice before us because the airport is under the feds.

Mr. Breithaupt: I realize that is not the choice before us.

Mr. Rotenberg: Your friends in Ottawa might sort that out for us.

Mr. Breithaupt: Your friends there might as well.

Mr. Rotenberg: Your friends are in control up there.

Mr. Breithaupt: Most of the time.

Mr. Brandt: You have more friends than we have at the moment in Ottawa.

Mr. Breithaupt: But they speak with you more thoroughly than they do with us.

Mr. Nesbit: To get back to this gentleman's question about how to enforce it when a taxi legally brings a fare into Toronto, or a Metro taxi takes a legal fare out to Mississauga, our industry--and I think you will get the enforcement officers both in Metro and in Mississauga to agree--will never stop. There will always be someone who will try, whatever the law is. There is going to be someone who will try to get a buck illegally.

Mr. MacDonald: Could it not be stopped if their licences were cancelled?

Mr. Nesbit: That was an idea that was posed yesterday. Our authority has agreed that if Metro catches one of our taxis in here and convicts him, we will suspend his licence in Mississauga if they will do the same thing if any of their Metro taxis in Mississauga, or wherever they are from. I am just using those two as an instance. I think that would help a lot.

Mr. MacDonald: If the penalty is high enough, it will stop it.

Mr. Nesbit: Yes.

Mr. Breaugh: I have a couple of questions which stem from both your submission and a couple of others that we perceive from the Ontario Association of Taxi Cab Operators. I will tell you the problem I have. For the life of me, I cannot justify why we would have municipalities in Ontario running around after taxicabs trying to determine whether the pickup point was here or there, or whether it was prearranged or not prearranged. It seems to me of all the insane things we could do in our society, that has to top the list. I cannot fathom a fruitful reason for doing that.

If, for example, we took this recommendation that you have put in front of us, I cannot envisage, short of calling out the reserves, how you would enforce this. All I have to do as a cabby is to establish that someone invited me into this municipality, to have the simple, straight brains to say to the cop who is hassling me, or the enforcement officer, "Well, we got a phone call saying come and pick up this package, but unfortunately the package is not here." There is a world of total insanity we are about to enter.

I would be a proponent of taking a nice, simple idea, like Metro, Hamilton-Wentworth or whoever, and licensing their cabs for the legitimate reason of trying to put some regulation and a small amount into their municipalities for the enforcement officers, whether a cop or a bylaw enforcement officer. It is a reasonably simple task to identify that that is a local cab with a local cab licence. That is about as far as I want to go with this one. Why would we not just do that?

Mr. Nesbit: We are still going to have boundaries. We

are still going to have certain pickup rights that someone is going to have to watch.

Mr. Breaugh: I am prepared to do that, but I am not prepared to pay some guy to find out whether the cabby got a call to come and pick up this parcel. Why am I doing that? Why do I care? I am prepared to regulate this industry to the extent that it is registered with the local municipality, which has some control over who drives the cabs and what kind of shape they are in. That makes some sense to me. But I cannot fathom why I want to pay a civil servant to chase cabs around all day and find out who phoned them. Why am I doing that? Does that make sense to you?

3:30 p.m.

Mr. Rotenberg: Mike, are you saying that only cabs with Metro licences can pick up in Metro?

Mr. Breaugh: You can put a couple of little caveats on it, but essentially that is exactly what I am saying.

Mr. Brandt: It's getting too logical. You will have to watch the (inaudible).

Mr. Breaugh: But is it a rational thought to have bylaw officers or police officers chasing cabbies around finding out who called them, or if they had a pre-arranged pickup? Why am I doing that? Why would I?

Mr. Nesbit: Did you state that local municipalities would have a licence so that taxi could operate in that municipality?

Mr. Breaugh: Yes.

Mr. Nesbit: That is what we have right now.

Mr. Breaugh: But if I took this proposal, why would I not go to Fenelon Falls and get a fleet of taxicab licences. After I got their licences, why would I not then come to Metropolitan Toronto, where all the people are, and put them on the streets? I could just tell my cabbies, "Have the brains when the cop stops you to say, 'Somebody called the office in Fenelon Falls and that is why I am here.'" That is all he has to do to meet this recommendation that you have put in front of us. It does not take a great deal of ingenuity.

Mr. Rotenberg: He would have to go back to Fenelon Falls. He cannot go (inaudible).

Mr. Breaugh: I would suspect he would never want to visit Fenelon Falls until he had to renew his licence again.

Mr. Rotenberg: It's a delightful place. Have you ever been there?

Mr. Breaugh: Many times.

Mr. Breithaupt: I do not know if his cab has ever been there.

Mr. Breaugh: My basic problem is that I am trying to keep the number of people we pay to do silly things down to an absolute minimum. I am having a hard time mustering an argument as to why I would put a whole set of enforcement officers in the field out there to check out who phoned the cab company.

Mr. Nesbit: We have to do it now. The law you are proposing or the way you would like to see it is the way we have it now. We have to pay enforcement officers to do that now, because we have all kinds of Mississauga taxis operating out in Mississauga and apparently vice versa here, they are claiming. You have to have the officers out there to watch them and charge them. As I say, it is difficult--

Mr. Breaugh: What public good was served by charging 81 cabbies with driving their cabs on the wrong street?

Mr. Nesbit: Trying to protect the operators who pay for a licence in our own municipality, trying to protect their fares. They claim these are their fares and they do not want anyone else picking them up.

Mr. Breaugh: It seems to me I heard that argument yesterday from a different group of folks who seemed to take exactly the same attitude, except they were from Metro Toronto. They seemed to take the attitude that: "If we have a Metro cab licence, this is our turf. Get these other people out of here." If that is a rational argument in Mississauga, and I take it you think it is, is it not just as rational in Toronto?

Mr. Nesbit: As I say, it is difficult in both places right now. It is a difficult position we are both in.

Mr. Rotenberg: It is a good thing they did not send Hazel.

Mr. Chairman: Are there any other questions?

Thank you very much for your attendance before us.

I refer you to exhibit 38, Metropolitan Licensing Commission.

Mr. Breithaupt: Mr. Chairman, while that group is coming up, do we have a name for the person who submitted exhibit 42 to us?

Mr. Chairman: John Henry Skye submitted exhibit 42. He has asked to have the opportunity to speak to us. We mentioned that he would be after Metropolitan Licensing Commission.

I would also point out that Mr. Samuel of the Ontario Tavern Owners' Action Group wishes to also speak to us. Again, I assume if time warrants, it would also be at the end.

Mr. Breithaupt: Thank you.

Mr. Chairman: Would you identify yourselves? We have Messrs. Clark, Cohen, Barker and Neville; is that correct?

Mr. Clark: Yes, Mr. Chairman. I am Peter Clark, chairman of the commission. Mr. Barker, on my left, is our general manager. Mr. Cohen, immediately to my right, is our solicitor, and Mr. Neville, to my far right, is our administrator. We are all here prepared to respond to whatever questions you may pose.

Mr. Chairman: If I may mention to the committee members, the parliamentary assistant has suggested that since this presentation may reach into many different fields, we try to individualize the fields after they have made their presentations. Then perhaps the parliamentary assistant might go at one topic, we could have the supplementaries on that and then go on to another topic. Okay?

Mr. Breithaupt: That is fine.

Mr. Chairman: Because this is going to be more all-encompassing than several of the other presentations.

Mr. Breaugh: After that, we will all go out and chase taxicabs for the rest of the day.

Mr. Clark: Mr. Chairman, it would appear there are going to be a number of questions; so I will try to be as brief as possible in my opening remarks and somewhat state the position of our commission on some of the items and some of the questions that have been posed today.

Probably for the benefit of everyone, I think it might be useful for me to outline the structure of our commission. It is a three-member body. Two members are appointed by metropolitan council and do not sit on metropolitan council, nor do they have any active participation in the political arena per se. The third member is the metropolitan chairman or, in our particular instance, Mrs. Carol Ruddell, who sits in his stead.

Our functions are really twofold. We are a quasi-judicial tribunal to hear applications and matters that may relate to licensing in Metropolitan Toronto. As well, our function is that of a board of directors in overseeing the administration and the enforcement elements of the commission.

Within the material here, I have enclosed a number of things which I think would be found to be germane to these hearings. Specifically, there is a report of January 1981, which outlines the principles of licensing and was--shall we say--part of a review process which we undertake from time to time.

Appendix B relates to fees and how they were established, and I think most members would find that very useful just to see exactly how we function in that area and how we operate.

We also have a third appendix, C, which relates to our

position outlining the airport situation. That position has also been endorsed by metropolitan council and it has been argued somewhat adamantly from time to time by members of our commission and members of the metropolitan council.

I think it would go without saying that we support the bill that is before you right now. We feel it is going to support or--shall we say--expedite the legislative process where needs in the community are identified. We do not share some of the concerns which have been voiced in questions today over there being an abuse of that, and I will get into that area later.

We also feel that this legislation will allow us, when it comes to the allotment of fees, to have a more fair and equitable distribution. Right now, we are somewhat encumbered by provincial statutes which require us to charge a very nominal fee and, therefore, it will have to be offset by other licensing bodies. We do try to operate on a break-even basis. Unfortunately, we have not been very successful; in the overall consideration, we have been in a substantial loss position for a number of years.

One of the things that concerned me today was that there seemed to be this feeling of licensing bodies having great power. We do not. Licensing is a means of defining and regulating certain industries. It does not in any way provide us with the power or the ability to refuse licences or to preclude people from entering into a field. The only exceptions are those relating to the taxicab industry and, for very obvious reasons, the adult entertainment area. There is some suggestion we are going to try it in the electronic games area; in fact, we will be tabling with you people a proposal that Metro council has relating to video parlours.

Beyond that, we do not enjoy powers. We cannot make an ad hoc decision to refuse a licence. No one can. There seems to be a misunderstanding there; so I emphasize the point very strongly.

We are subject to really three types of review. There can be a motion quash a bylaw. If metropolitan council in its wisdom decides to pass a bylaw, then the motion can be quashed. While that motion is before the courts, we cannot take action on that bylaw. If we charge someone for operating without a licence in the intervening period, that matter would not be dealt with until that motion is dealt with by the courts.

Second, any decision of our commission can be appealed to the divisional court. In the case of Hamilton and Hamilton council refusing an applicant, that can be appealed in the divisional courts. It may be somewhat of a long process but, while it is under appeal, once again commissions and licensing bodies cannot preclude people from operating.

3:40 p.m.

Third, the Ontario Municipal Board is still in place and any licensing act or bylaw requires review by the OMB. So I think it is a threefold process. If a bylaw is passed relating to licensing by metropolitan council after this bill is passed, then it would have to be passed by the OMB as well.

Mr. Cohen: Not on licensing.

Mr. Clark: I am sorry. That was my understanding. My solicitor has corrected me. It is a better batting average than I have on occasion.

Mr. Rotenberg: A better batting average than I had before your commission.

Mr. Clark: But you were trying to do something illegal, Mr. Rotenberg.

Interjections.

Mr. Clark: That is why licensing is so good, because we do not allow politicians to do some of these things from time to time.

Mr. Rotenberg: I was just trying to protect my constituents.

Mr. Mitchell: First off, you made the mistake of suggesting he was a politician.

Mr. Rotenberg: I'm not. I'm a statesman.

Mr. Clark: We are aware of some comments that have been made before this committee relating to the fact that this bill would create some inconsistencies throughout the province, that businesses would not know how to operate within regions or municipalities.

I really don't see there being any difficulty with that. That situation already exists. Not only that, but licensing, like all other types of legislation or bylaws passed by municipal councils, reflects the needs of that particular community, and that situation is not going to change. I don't think it will ever change.

I suppose our final comment, and then we will move into the questions, would be related to the airport. I have had an opportunity of reviewing Mississauga's legislation, and I share the members' concerns that the proposed amendment would certainly not in any way serve a useful purpose for any of us. If I may be so bold as to say, it almost seems to me as though there is a ploy on the part of the Mississauga taxi industry to try to tap in on a market of 2.5 million people in Metropolitan Toronto.

Prior to the legislation being in place, when point of pickup was allowed, we had a very difficult time in Metropolitan Toronto trying to enforce our own bylaws. Subsequent to that, one company in particular that comes to my mind was actually put out of business, because it could no longer really work out of Metropolitan Toronto. So the amendment was a very useful amendment when it was made--

Mr. Breithaupt: That was a Markham company.

Mr. Clark: Richmond Hill, in fact, and it operated out of the northern part of Toronto. It was Avenue Taxi in Richmond Hill, and it shortly went out of business.

Actually, if you looked at the population-to-taxi ratio in some of the outlying regions, you would see it was very obvious that a lot of people were going into that outer region, securing a licence, Fenelon Falls being perhaps an example, and then coming back in and plying the trade in Metro. The onus and the difficulty we had in trying to secure prosecutions for such made it impossible.

There is not a problem with bandit taxis in Metropolitan Toronto today because of that legislation and, of course, this amendment would just throw the whole thing out and we would go back into a very difficult situation.

There is one other thing we would like to do prior to the questions, and that is we submit to this committee a request to amend the legislation to limit the number of electronic devices or electronic video games. We feel it might be useful for you to deal with this matter as you are dealing with the bylaw. It is a limiting factor and, therefore, would likely have to be dealt with by this committee.

I would say incidentally that there is one caveat we have on our support. I heard one member saying, "Is there nothing here you find difficulty with?" We do have one thing, and that is the power to suspend by our staff until the next meeting of our commission. There are occasions when extreme circumstances would dictate that individuals not be allowed to continue in their trade or calling until they have been dealt with by our commission, or by the courts in some cases.

Mr. Breithaupt: Can you give us an example?

Mr. Clark: Yes, a taxi driver being charged with a sexual offence, such as rape. In fact, we had a case not too long ago before our commission where a driver was charged with indecent exposure while driving a taxicab. When the general manager of our commission became aware of it, he immediately suspended that man's licence until the next meeting of our commission when we could deal with it. We feel that is a very important power. It is not used very often. Mr. Barker, you would use that power how often in a year?

Mr. Barker: Very rarely. We have had another one which was to do with the gentleman who was charged with armed robbery, possession of an offensive weapon and dangerous driving while he was operating his cab. We had to take the same action on that. Mr. Clark indicates until the next commission meeting, and we meet every two weeks. At present I have the authority to suspend until the next commission meeting, which is in two weeks. We are compelled then to put it on that agenda.

Mr. Breithaupt: Your attempt thereby is, presumably, to balance the public interest as you see it in having a further event possibly occur with the rights of the individual so charged until those charges are dealt with by the courts.

Mr. Clark: No. They will be dealt with by the commission prior to being dealt with by the courts. The commission is entitled to hear evidence on the matter. The person is given the proper protection under the Ontario and Canada Evidence Acts, but we will hear the circumstances surrounding it and make a judgement from there as to whether we are going to allow that person to continue. We may in some instances say, "No, you can't continue in the trade or calling." But we would monitor the court process and if he were convicted, at that time we might decide that we wished to revoke the licence.

Mr. Breithaupt: Are they the only two examples with respect to taxis that come to mind readily?

Mr. Clark: Well, yes. That is mostly what it is. If it is someone in the building trade whose practices are somewhat suspect, it is not such an urgent matter. It is for the protection and safety of citizens on a day-to-day basis that this power is used and it is very limited in its use.

In closing and prior to getting into the question period, I really would emphasize again that it appears to me that there seems to be a misperception that licensing in this bill is going to give extraordinary powers to a body such as our commission.

I have sat on our commission now for seven years and the only thing I have really learned over those years, and I do not have a legal background per se, is that we are really very restricted in what we can do. We must have substantial and substantive evidence before we can refuse an applicant or, conversely, revoke a licence, and in fact it is on very few occasions that we do refuse or revoke.

Mr. MacDonald: In view of that statement (inaudible) Board of Trade of Metropolitan Toronto and the Canadian Manufacturers' Association.

Mr. Clark: It was most unfortunate that I was not present, Mr. MacDonald, when those two bodies appeared here. I am quite convinced they do not have a full understanding of the commission and what the commission's powers are.

There was some mention earlier in these hearings relating to the fact that we could take a corner gas station and set the rates for it. We cannot. This bill does not allow us to do that. All it does is allow us to define the relationship. It does not allow us to set rates for them. It is only in very special areas that we have that ability.

Mr. Rotenberg: Mr. Chairman, I have indicated to you that there are a number of topics which I want to discuss with the commission for information. I am sure the members of the committee would like to discuss those topics also.

I am going to start with the taxicabs and when all members have finished with that one, I have about 11 topics here I want to discuss with the commission. Some may be shorter than others.

Mr. Clark, first of all, you have had some suggestion that even under the present legislation Metropolitan Licensing Commission is having trouble enforcing the present point-of-pickup legislation; that you have trouble enforcing what are called bandit cabs, that is nonairport fares, from picking up in Metro. Can you comment on that? Have you charged people? Do you feel there is a problem with that?

Mr. Clark: No, there is no problem. People are having a great deal of difficulty in trying to define a bandit taxicab. They are those taxicabs which have Mississauga plates, that being the most evident example: 149 in number to be precise. They also have a Toronto International Airport plate, issued by Transport Canada. Under the present legislation it is legal for them to pick up in Metropolitan Toronto to take a passenger back to the airport. That is the business they are in. They are not in the taxi business.

Mr. Breithaupt: By pre-arrangement only?

Mr. Clark: By pre-arrangement only, but I think--

Mr. Rotenberg: No, not by pre-arrangement only.

Mr. Clark: Is pre-arrangement not part of that?

Mr. Rotenberg: It is not necessarily by prearrangement.

3:50 p.m.

Mr. Clark: Let is put it this way. In reality that is what they are doing by prearrangement. They advertise in the Toronto directory--their brokerages do--airport runs. They are in the airport business; they are not in the taxi business per se. In fact, it is to such an extent that Mississauga taxis were no longer servicing the general public and they had to issue more plates because they had all their taxis up at the airport. They have a much larger taxi-to-population ratio than Metro has because of that reason.

A number of the members of our industry are quite verbose on this subject for good reason, and I am very supportive of them. It is a substantial amount of their income, the plum of the industry. Those airport runs that are very viable are being removed from the Toronto taxi industry because of the existing legislation.

There are 150 taxis in here picking up. I think that has to be emphasized. They are not bandits, they are legal, and they are legal because of the legislation that is before you today. Frankly, we would like to see that exemption clause taken out. We have had a number of ongoing discussions with Mr. Rotenberg on that.

In terms of the bandits that come in on the outskirts, we do blitzes from time to time. We have a relatively large enforcement staff, relative to other bodies. There are some 52 members of that important staff. They are out on the road and they do a blitz. Perhaps Mr. Barker could relate what his experience has been and the number of charges outstanding at this moment.

Mr. Barker: As Mr. Clark said, we do blitzes on this. I recall, probably four weeks ago, we put 30 of our staff out and we have found through experience that it is an early morning effort in the downtown area when these people come in to take the runs out. We put 30 of our staff out for a six-hour period.

We run into a great deal of problems in enforcement. We see a cab with a Toronto International Airport plate pick up a fare. Under the present legislation, he has the right to take it to the airport. My people then have to follow that vehicle, in some cases right out to the airport. We know from past experience it is a devious run; it is not to the airport. If he realizes my people are following him--and it is not hard to detect my people--then he starts breaking the traffic laws. He will make right turns from the centre lane. If my people come to a red light, we instruct them that they cannot break the law themselves, so he gives us a miss.

We have had the experience where we have pretty well known he is going to the International Trade Fair, but once he knows we are there, he will take his fare to the airport and get another cab at the airport to take him from the airport to the International Centre. On another occasion, he will go right out of the municipality. We have had complaints that they will go out there and in some cases dump the passenger outside Metro.

These are the problems we are faced with. It is very simple with the present legislation for Mississauga. All they have to see is that person being picked up, but we must follow to make sure it is a legitimate run to the airport under the present legislation, and there are difficulties.

Mr. Clark: I think it should be emphasized, however, that we are only talking about those vehicles with Department of Transport plates affixed to them. Those with only a Mississauga or Markham plate are not difficult for us at all. We have managed to erradicate that problem and eliminate it.

Mr. Rotenberg: What you are saying is you do have difficulties with cabs with TIA plates taking non-airport runs from Metro. You have difficulty catching them and enforcing that section of the law. Is that correct?

Mr. Barker: That is correct, yes. You can just imagine the time involved in taking a run from downtown out to the airport. Then my people have to dead-run back and try to pick up another. You can chase about two people and there are four hours gone.

If the legislation said you can only pick up in the municipality where you are licensed, we would not have any problems. Once a cab that was not licensed by Metro picked up a person, that is all the evidence we would require.

Mr. Rotenberg: I gather the licensing commission supports the taxi owners, brokers and drivers in wanting the airport exemption taken away?

Mr. Clark: Absolutely.

Mr. Rotenberg: We were told that of the 300 plates at the airport, there are only 69 Metro plates. We were told by Mississauga that was on a first come, first served basis. Can you indicate why there are only 69 Metro plates out of 300?

Mr. Clark: Yes, that is rather interesting. It is a rather touchy area to get into in a public body as well. Personalities became involved, and to say there was some controversy would be an understatement. There was a great deal of controversy relating to how this matter was going to be handled by the Ontario Highway Transport Board. We were in active negotiations with them as to the issue. When I say "we" I am speaking of Metropolitan Toronto under the auspices of Mr. Godfrey.

We were trying to establish what we thought was a fair and equitable formula and we were assured nothing would happen until those meeting had concluded. We advised our taxi industry accordingly: "Do not go rushing up there. You are going to be wasting your time because there is going to be a proper process to be followed and it has not been developed yet." At this stage it had been initially announced that licences would come on a first come, first served basis or that there was going to be a process and people were just throwing applications in. They did not really know for what.

All of a sudden, we found the situation that these licences had in fact been issued. An announcement was made it was first come, first served and we had advised our taxis in the meantime not to take any action. That is why there are only 69. Mr. Shoniker, who was heading up the OHTB at that time, felt in his wisdom that was the process he wished to follow. I will not comment beyond that.

Our position is very clear about this. These airport plates have turned out to be a huge windfall, a tremendous windfall. In most cases they are not owner-operated, they are put out on a lease that can be revoked on 24-hour notice. They go for anywhere from \$55,000 to \$70,000. In fact, we had one gentleman appear before our commission who had entered into one of these agreements. He refused to pay an increase in his brokerage fees, which went from \$600 to \$680.

Mr. Rotenberg: For what?

Mr. Clark: For the brokerage fee out at the airport, the airport brokers, \$680 per month. He refused to pay the increment from \$600 to \$680. Incidentally, the highest brokerage fee for a Metropolitan taxi is \$165 a month. So not only is the man getting the front-end load, he is also getting a useless brokerage fee, and that is the only way to describe it.

I cannot for the life of me understand why Ontario would perpetuate this situation by continuing to allow these people to come in and tap the market. They can demand these dollars because

of this point-of-pickup exemption for airport plates. It should be removed. There is no justification or logic that says because someone has fallen into a windfall situation, it must now be perpetuated. It does not make sense; it defies logic. Do we do this for business people?

Mr. Breithaupt: Yes, we do.

Mr. Clark: Yes, and it is somewhat shattering the way we do it from time to time.

Mr. Breithaupt: A (inaudible) licence or a milk marketing board quota or a variety of other things.

Mr. Clark: But that does not make it right. As a businessman and an individual who is concerned and involved in this, it flies in the face of what I call good business judgement and good economic management of our resources. We are very adamant on that.

Mr. Rotenberg: The point has been made, both in these meetings and elsewhere, that of the 230-odd non-Metro Toronto International Airport plates, the bulk of those, the Markham and Mississauga ones, are from these fleets of Air Cab or Air Flight or various fleets. These are people who have gone by the rules, gone into established businesses, put out a fair amount of capital and they are now operating the business. To accommodate your request, we will take legitimate businessmen who are offering a special type of service--they claim their cabs are better, they have uniformed drivers, they are there for prearrangement, all these things--and put those 230 cabbies out of business by a stroke of the pen. That would be unfair.

Mr. Clark: They can go back and ply their trade in the municipality in which they are licensed.

I think it is great and I do not blame them. By golly, if I had one of those plates, I would be up here pounding the desk and saying: "This situation must be perpetuated; I have invested this money." They have invested in a car, a roof light and a meter as every other taxicab does.

Mr. MacQuarrie: What would be wrong with following the suggestion of Mississauga that the point of delivery be the governing one and that the airport be thrown open as part of Mississauga?

Mr. Clark: They are not throwing the airport open. I thought it was a very cleverly worded amendment, but in reality that is not what is going to happen. Our taxicabs can deliver at the airport right now; they cannot pick up. That has to be remembered. What that is doing is opening up the Toronto market to the Mississauga taxi industry.

4 p.m.

Mr. Breithaupt: Only with the ones that have the prearranged Toronto International Airport licence.

Mr. Clark: No. This amendment is allowing them to come in and say, "I can pick up in Metro because there is a prearrangement here." I mean, the Toronto market is how much larger than Mississauga?

Mr. MacQuarrie: Let us assume the airport was thrown open, that a substantial traffic generator by happenstance is in Mississauga, and therefore the Mississauga licensing provisions apply and we have either point of pickup or point of delivery application. It would seem to put the Mississauga cabs back where they were in the first place. They had a tremendous advantage from the point of view of taking passengers from the airport.

Mr. Clark: Yes. But you must remember, and I think it was emphasized, that these plates are federally issued plates, and regardless--

Mr. MacQuarrie: But the feds own other property. At Union Station they could come in--

Mr. Clark: But they do not own Front Street, and that is where the actual pickup is. In the case of the airport the pickup is on federal land, and until the federal government agrees to lift these plates and remove that situation, then those plates are still going to exist and be perpetuated, and Toronto taxi cabs will not be allowed into the airport to pick up until such time as that provision is removed in the federal statutes.

Mr. Breithaupt: The only way that is going to happen is if the value, as you say, which has been either transferred or presumed or allowed to develop in one of those plates is bought out by someone--in this case, presumably, a grateful Canadian public.

Mr. Clark: Why would the value have to be bought out? I do not understand that. A businessman enters into an arrangement. He has solicitors; he has advice. If I as an individual walked up to a fleet owner and said, "I want to take one of your airport plates," and he said, "\$55,000. I can revoke them in 24 hours, with no right of appeal," etc., if I went to my solicitor and my solicitor said, and he would: "That is the craziest thing I have ever seen; no man invests \$55,000 on the whim and fancy of the holder of that plate"--and that is all that agreement is, and we filed that agreement with Mr. Rotenberg--then I do not see why a governmental body should protect that individual from entering into very, very suspect and poor business arrangements. On the other hand, by perpetuating the situation you are allowing the gentleman who initially issued that plate to get a windfall of \$55,000 and in addition an incremental income of, say, \$550 a month.

Mr. MacQuarrie: How much is a Toronto plate worth?

Mr. Clark: A Toronto plate right now trades around \$40,000.

Mr. MacQuarrie: Is that not a windfall as well for the holder?

Mr. Clark: No, it is not a windfall. I am delighted you brought that up. The Toronto plate is issued on the basis of service in the industry. A list is developed, and people work their way up that list with service. They must continue to work in that industry actively; they are not issued that plate and then allowed to abdicate their responsibilities.

Mr. MacQuarrie: Are there no brokerages in Toronto?

Mr. Clark: I am not suggesting there are no brokerages in Toronto. The brokerages do not own the plates; the individuals do and fleets do. As it turns out in the airport situation, the major brokerage holders are the men who were initially issued those plates. The situation is in reverse. In addition, when a man is issued a licence off the list in Metropolitan Toronto, he must work that plate for five years and remain active in the industry. We are adamant that he do so and, in fact, we have revoked licences where individuals had treated that licence value as a windfall profit. In fact, we have revoked two, I think, so far this year.

Mr. Breithaupt: The brokerage has a slightly different meaning on the Metro scene than it does from this airport situation.

Mr. Clark: Oh, yes, absolutely. It is substantially different.

Mr. MacQuarrie: What is the difference?

Mr. Clark: The brokerage is a business here, and the Metro Cab Co. is owned by a family.

Mr. Breithaupt: It is a service charge, in fact, for services being provided.

Mr. Clark: That's right. They charge \$165 a month, and they are the highest-charging brokerage. That is a business which is owned by this family. They operate it and they generate their profits from that fee.

Mr. Rotenberg: It is a dispatching business, in other words.

Mr. Clark: It is a dispatching business. That's right.

Mr. MacQuarrie: They own no cars.

Mr. Clark: As it turns out, yes, they also own fleets, and those fleets happen to operate out of the brokerage. But there are substantially more cars, about 20 times more cars in that brokerage, than there are in the holdings held by the family.

Mr. MacQuarrie: How many plates can an individual obtain under the Toronto bylaw?

Mr. Clark: Obtain off our list? Two. He would obtain one through the drivers' list. That list is drivers. When they start driving and have driven for a period of time, then they can put their name on the list. They must continue in the industry, sign statutory declarations to that effect. Ten or 15 years is about the time period. Then he would be issued a plate. He would then go on a second list, which is an independents' list. I guess that list has now been exhausted, has it?

Mr. Barker: Not exhausted. If we issue new plates, the ratio of issue is 90 per cent of drivers off the drivers' list and 10 per cent to owners that own --

Mr. Clark: The possibility of getting any more than one plate would be nominal.

Mr. MacQuarrie: How many individuals in the Toronto taxi scene hold more than one plate?

Mr. Barker: I do not know the numbers but certainly they could own quite a number through purchase.

Mr. MacQuarrie: So then we have the situation developing where a considerable number of plates can be owned by one individual.

Mr. Barker: Correct.

Mr. Clark: That is the case. On the other hand, just so you are fully aware of this, there is a reason why Metro has agreed that a value is going to be associated with that plate. We have had some concerns about that value and have just finished a rather extensive consultant's report on it and have dealt with it within the industry in an annual review that we undertake with them. We are going to be issuing more plates in Metropolitan Toronto because we feel there is certainly a need for one thing. Secondly, that need is reflected in the price of the plates. We feel it may be a little high. That was one of the yardsticks we use to establish whether or not the public is being properly served. Let the marketplace determine it.

You still have to remember that, in essence, by our issuing procedure and by going to the drivers, we are saying to that man we need a core base in this industry. We need drivers who are out on the road every day. That is the way of the municipality to recognize their service because taxi drivers inherently do not have retirement funds. They do not have all of those various other perks. It is a business very much of an independent nature. We want a core, so that is the retirement fund. That \$40,000 represents the ability for them to retire at some stage in their life.

Mr. Rotenberg: Let me get back to the airport situation. When you mentioned these high brokerage fees and high plate costs, was that for the taxis or for the limousines?

w Mr. Clark: I am talking about the taxi industry. As far as the limousines are concerned, we have adopted the position in Metropolitan council, and I can speak for Metropolitan council in this regard, where the limousine services will remain as they are. That was certainly the commitment made by Mr. Wells last year when he said he would deal with this situation in the fashion we had requested. The limousine industry would remain intact, and we see that as being a specialized service and a service very much in demand. But those individuals who are going to take taxis should be taking Metropolitan taxis.

Mr. Rotenberg: I have one other question on the recommendation for legislative change by Mississauga which, in effect, was going to be pick up and point of return subject to your arrangement. I asked you before about enforcement. Would you be able to enforce out-of-town taxis which came and picked up in Metropolitan Toronto to return to their own municipality?

Mr. Clark: Not unless we built a huge bureaucracy. We could ultimately do it, but it would require a much larger enforcement staff than we have now. I feel responsible enough to recognize government restraint, but it would be an extremely difficult thing for us to do. In effect, we had that situation before and we had to come to the province to request the existing legislation which has alleviated and, for that matter, eliminated the problem.

Mr. Rotenberg: That is the only question I have on taxis, Mr. Chairman, but I have other points after other people have talked about taxis.

Mr. Breaugh: There are a couple of little difficulties that I have with this taxi thing. Frankly, I know more about the taxi business in Toronto than I ever wanted to know. My problem is simply this. Let us start off on face value with a request, for example, from Mississauga or the taxi operators around Ontario that it is not a good idea to be driving a cab with nobody in it but the driver; it is waste of energy and all that. I have a little bit of sympathy for that. I do not want to waste energy either and I do not want to cost them money unnecessarily.

Then you come in here and you tell me that, honest to God, you have people who follow the Mississauga cabs with TIA tags on out to the airport or to the convention centre or outside and they dip into the airport and drop off a passenger and somebody else picks them up, or they throw the guy out the door. This has reached insanity so quickly. What started out as being the simple premise that we were trying to save some energy, and perhaps be fair, winds up with the old taxpayer paying for somebody to follow a cab around, and all of these exciting things happen on the periphery.

How do you feel about running that kind of a monitoring agency? Do you feel nice and neat that that is a legitimate activity for you to be in?

4:10 p.m.

Mr. Clark: No. I couldn't agree with you more, but it is the only way we can keep the abuse down to a minimum. If we did not do that, it would be rampant. We would have those Mississauga taxis with the airport plates, when the airport business was slow at certain times of the day, coming into Metropolitan Toronto and plying their trade. This is the only way we can keep the situation under control.

I quite agree with you that the allocation of resources is preposterous and I also agree with you on the energy waste. We have just in excess of 2,500 metropolitan taxis--69 have airport plates. If you walked out here and flagged down and taxi and told him you wanted to go to the airport he would take you because he is required by law to take you. But unless he has that airport plate--and the chances are very slim he has--he is going to have to come back dead to Metropolitan Toronto. The energy waste is much greater on the part of Metropolitan Toronto taxis having to come back dead than by saying to these 149 Mississauga taxis, "We are not going to allow you into Metro any more, regardless of the fact you have that airport plate."

Mr. Breaugh: I almost hate to ask this question. How much money did it cost you last year to follow these Mississauga cabs around?

Mr. Clark: We don't monitor each individual enforcement procedure. We run on a budget just in excess of \$3 million with our commission. I would say probably something to the tune of 45 to 50 per cent of the time is allocated to the taxi industry.

Mr. Barker: About 30 per cent.

Mr. Clark: I beg your pardon. Thirty per cent is allocated to the taxi industry. So we are talking about \$900,000. That would be a portion of it, and not a substantial portion. Because of our limited staff size, we feel we can effectively enforce the bylaws of the municipality almost on a blitz campaign, and that is a procedure we have adopted--not only for taxi industries, but various others. There may be a daily blitz on one industry and another blitz on another, just to watch and monitor things and have an awareness. Of course that blitz covers all areas of the municipality.

Mr. Breaugh: You came close to answering a question to which I have been trying to get an answer for the last few days. How is it that this exemption exists, even into Bill 11 now, for Mississauga cabs?

Mr. Clark: I can't understand it. I don't know why it exists. It was the decision of the minister to include it. When we made the request for the point of pickup, when the bill came down the exemption was there. I am afraid we are not in a position of being able to speak for the process going on at Queen's Park in this particular area. We were as surprised as anyone.

Mr. Breaugh: I just want to point out, Mr. Chairman, no one knows why this exemption is there.

Mr. Rotenberg: With respect, Mr. Breagh, I think I explained that the other day.

Mr. Breagh: I asked everybody I could find for the last week and nobody has an answer.

The Vice-Chairman: That's a monster problem.

Mr. Rotenberg: In 1978 when the airport was considered to be in chaos, as I indicated, it was basically a request of the airport people to allow those cabs that had Toronto International Airport plates to be able to return fares to the airport no matter in which municipality they were licensed. It was basically at the request of the airport and, therefore, the federal government, when we were doing the point-of-pickup legislation to allow their 300 airport cabs to be exempt from that point-of-pickup legislation.

Mr. Clark: Incidentally, I think it might be useful to bring to the committee members' attention that the airport is certainly not being properly served right now by the number of plates that have been issued, and on many an occasion the metropolitan taxi industry is asked to send drivers into the airport during peak periods.

Mr. Rotenberg: Contrary to their rules.

Mr. Clark: Yes, contrary to their own rules.

Mr. Breagh: I want to put on the record that one day last January I spent an hour in a driving snowstorm, freezing my rear end off, trying to find somebody. I would have taken a rickshaw after the first 20 minutes to get the hell out of there. The answer I got, which I believe was a fairly straightforward one, was, "Nobody likes driving in this kind of weather." So they don't show up. They just go and hide.

Mr. Clark: This is very interesting, because economic need is often a dictating factor, the amount of money earned on that particular lease we were talking about by that individual who came before a commission and showed us the contract he had where he paid \$55,000 for that taxicab plate--I am speaking of the TIA plate now. He and his brother operated that on a two-shift basis and netted \$35,000 a year each out of that. So substantial windfall profits are being perpetuated by the system that exists at the airport.

It is our position, and I heard it mentioned by a member of the committee, that there should be two lines. There should be a line for Metropolitan Toronto and a line for the regions. It is simple. Each taxi industry should serve its own constituency. That is the purpose behind licensing. That is the purpose behind municipal boundaries and all those various elements, and it has been thrown out in this particular case.

It would be very helpful to Metropolitan Toronto cars to remove that exemption and create a situation where the airport is now going to have to deal with this thing in a proper and equitable fashion. They are not doing it right now.

Mr. Breaugh: Let's commission a search to find out why the exemption still exists.

Mr. Rotenberg: It will be up to this committee or the Legislature whether it will be perpetuated or not.

Mr. Breaugh: I do not think we have the resources in Ontario to find out why that exemption is in there.

Mr. Rotenberg: Mr. Chairman, if we have exhausted taxicabs, we can move on to the next topic we want to ask the commission about.

In the taxicab section, the previous licensing sections of the Municipal Act, and in Bill 11, where under taxicabs you can set rates, limit numbers and so on, cartage companies are also part of that section. Whereas with cartage companies you can limit the number, you can set rates and have certain other limitations for cartage companies, you cannot put on other forms of licensing. Do you feel in 1982 that cartage companies still have to be regulated on that basis?

Mr. Clark: No, and we don't. The cartage industry has been overregulated. As a businessman, I can say that government regulates too often. That is something our commission strived to avoid. We have eliminated a number of classifications of licences. I can say with clear confidence that with the exception of those areas we license because of provincial statute, there is not one classification of licence that is not licensed because of need.

In terms of the cartage industry, they have asked us--they tried to launch a lobby, would be the best way of putting it--to limit their numbers; not to set rates but to limit numbers.

Mr. Rotenberg: Do you limit numbers?

Mr. Clark: We do not limit numbers.

Mr. Rotenberg: You have the authority, but you do not do it.

Mr. Clark: Is that correct, Mr. Cohen? We do have the authority?

Mr. Cohen: We do not limit numbers.

Mr. Clark: No. Do we have the authority?

Mr. Cohen: That is right, yes.

Mr. Clark: We do have the authority. We do not limit numbers and we are not interested in limiting numbers.

Mr. Rotenberg: And you do not set fees.

Mr. Clark: We do not set fees. We ask for rates to be filed with the commission. In the event of a complaint, then we can more effectively deal with that complaint because those rates have been filed. But that is the extent of it.

Just coming into an area for a moment, where we licence and where we don't--I realize I am going off topic here--there was some mention as to restaurants and taverns where there is the Liquor Licence Board of Ontario.

Mr. Rotenberg: We are going to get into that in a moment.

Mr. Clark: Okay. I would like to touch on that, because there were some misconceptions there.

Mr. Rotenberg: There is nothing else on cartage companies. That came up yesterday. The next point we should move into--

Mr. Clark: Incidentally, we would not object. As a businessmen, I feel that limiting clause should be used very carefully. I, for one, and I am speaking on my own personal basis, do not feel there should be any power--I should not say there should not be any power; it could be abused and as far as I am concerned, if it lay exclusively with the province that would not be a bad thing. That second review would perhaps be a very good thing.

Mr. Rotenberg: The next topic which has been mentioned by a number of people is the problem of the other section of the licensing act, Bill 11, which perpetuated the previous licensing act, which gives you power to limit and control and so on; that is the adult entertainment section, which you are familiar with.

In the adult entertainment section you now have the power to limit the numbers, which you do; you now have more controls over this adult entertainment sector than you do over most other things you license, such as plumbers and electricians and so on. What I would like to know is why you need the power. Do you need the power which you now have to refuse a licence to an existing situation--that legal nonconforming use--which you cannot in any other business? These are the powers you have under the present legislation. Do you use those powers? Do you still need them, and if so, why?

4:20 p.m.

Mr. Clark: That is a very extensive question. This is a very interesting area. First of all, my function as chairman of the licensing commission is not to pass legislation, but to administer it.

Mr. Rotenberg: Just on that point: The bylaws are passed not by you, but by metropolitan council.

Mr. Clark: That's correct, by Metropolitan Toronto. I am not a member of metropolitan council; I am simply an appointee of council. The rationale I am speaking of behind metropolitan council's request for various forms of legislation is in some cases secondhand, and in other cases the commission is asked to comment on the fields in which we are licensing. In some cases, we do comment on a policy. In other cases, we do not.

Metropolitan council, in its wisdom, felt there was a need for licensing adult entertainment. It felt also there was a need for control. Metropolitan council then applied to the province to be given those powers and it was granted them.

My understanding as to why, and certainly that understanding to a certain extent is why we act in certain fashions in dealing with this matter in our commission, is that the council felt the Criminal Code--and the police certainly supported our comments on this--if you will excuse the pun, had been denuded. They are really in a very difficult position in dealing with some of the obnoxious elements of adult entertainment.

Once again, I would come back to what I said before. Licensing does not allow us the power just to refuse a licence. We define and we control activities. We do not say, "You no longer exist." We do not enjoy that power. Even the power you are referring to in this one very special section is not a power. We can limit the number of licences, yes.

Mr. Rotenberg: Which means that once you get to the limit, which you are now at, you can refuse future licences.

Mr. Clark: That's correct. That I support. But we cannot change it. I believe the maximum number of adult entertainment parlours in Metropolitan Toronto is 63. We cannot, all of a sudden, say next year it is going to be zero.

Mr. Rotenberg: You could say next year it is going to be 29, couldn't you?

Mr. Clark: I respectfully suggest that this matter has not been dealt with in the courts yet, because we have not issued 63 licences. But after we have issued licence 63 and number 64 comes up, there are going to be some very interesting court cases.

Mr. Brandt: How many are there at the moment?

Mr. Barker: There are 62.

Mr. Clark: It is coming upon us very quickly.

Mr. Rotenberg: My question to you is, do you feel, as a licensing commission--and possibly you cannot speak totally, but you can speak for the political people behind you who give you your powers and set your bylaws--do you feel there is a need to limit the number to 63? Or is there any reason why anybody who qualifies should not have a licence for an adult entertainment parlour?

Mr. Clark: It would be very unfair of me to comment on that. My own personal viewpoint really is not germane to this. My viewpoint would be that of censorship and various elements. It would be fair--

Mr. Breithaupt: Can you tell us how you got the number 63?

Mr. Clark: No, I don't know. That was one thing metropolitan council--Mr. Cohen could likely--

Mr. Barker: I can explain that. The 63 number came up with what we had licensed at that time, and what applications we had before us. That is how it was determined. In other words, we did not want to leave anyone out who was then licensed or the people who had applied and were in the process of going through zoning, building and so on. That is how the 63 was established. We were leaving no one out at that time.

Mr. Breithaupt: Seems reasonable.

Mr. Brandt: Can someone clarify something for me? This has not come before the committee, but it has been in the media. The borough of Etobicoke is talking about the revocation of certain licences. How did it get into this whole thing?

Mr. Clark: The borough is not in the field. We are. We are the only ones who can revoke those licences.

Mr. Brandt: All right. But it is talking about it, isn't it? Did you see the same reports I read in the newspaper? Is the borough doing it by zoning?

Mr. Cohen: Perhaps I could assist. It is being done with respect to the provisions in the law permitting the limitation of the number of adult entertainment parlours to certain geographic areas. The Etobicoke council, along with all the other area municipalities, is studying the question of which areas of its particular municipality will be permitted to have this type of entertainment and which areas will not be so permitted. That is the issue before the council.

Mr. Breithaupt: That is for the future?

Mr. Rotenberg: Except the legislation allows you to remove a legal nonconforming use. The adult entertainment section is exempt from that section of the act that says "legal nonconforming uses must be maintained." I again put the question: Do you feel you need that power to be able to remove a legal nonconforming one if you change your numbers or your areas?

Mr. Clark: Mr. Rotenberg, this is a very difficult area for us to comment on. First, a lot of this legislation is just coming into place and--

Mr. Rotenberg: No. This has been in place since 1978.

Mr. Clark: But we have only dealt with this matter recently because of court cases being dealt with. It is only in the past six months that we have really entered into this field, after all the court cases have been dealt with and there have been a number of them.

I would say that this commission has a very dubious honour. We were the first body to be challenged by our new Constitution under the new bill of rights and it relates to adult

entertainment. A lot of these matters are going to be dealt with in the courts. Then we will be in a much better position to comment on this.

Mr. Rotenberg: Let me ask you this, and maybe you can comment it. I understand some of the questions I am asking you are really political questions and metropolitan council's decisions and it is a little unfair to ask you them. But, again, the 1978 legislation, which is so far repeated in this bill, was done mainly at the request of Metropolitan Toronto to "clean up Yonge Street."

There is a section in this which is not in it for most licensing, for bakeshops or for other things. Under licensing you can define the areas of the municipality in which entertainment parlours can be put. There is a feeling around that this should be done under the Planning Act in zoning. I am asking you, as a licensing body, do you feel from the point of view of control or enforcement that you need to be able to designate the areas in which an adult entertainment parlour can go, or should that just be left with the zoning?

Mr. Clark: That was given there for specific reasons because of the location of some of those establishments at this dated. Metropolitan council, in its wisdom, felt it wished to have that power. I think it could be considered a somewhat unique approach to the problem that has arisen with adult entertainment, and it has yet to be dealt with. I do not think I can comment beyond that, frankly.

Mr. Rotenberg: There is just one other point on this whole adult entertainment section which you can regulate. In your standards, regulations, issuing of licences or inspections, do you consider what is performed in this entertainment, the type of performance, whether it is or is not obscene? If you feel something is beyond, do you have regulations?

Mr. Clark: We have regulations according to dress, and we feel those regulations meet community standards.

Mr. Rotenberg: Are those regulations by yourself or by Metro council?

Mr. Clark: No, Metro council. Once again, the commission is only enforcing a bylaw passed by Metropolitan council. We are not involved in laying charges for obscene performances. However, I will say that if an establishment is consistently found to be charged and convicted for the way its entertainers are performing --we license the entertainers as well, incidentally--

Mr. Brandt: Convicted under the Criminal Code?

Mr. Clark: Convicted under the Criminal Code, yes. Then we do have the power of revocation--after a very long, detailed hearing, I might add.

Mr. Rotenberg: In other words, if someone is charged with obscenity under the Criminal Code, you would revoke?

Mr. Clark: No, I am not saying we would revoke. I am saying we would have them before the commission.

Mr. Rotenberg: You have the power to revoke, but you have a dress code for performers in adult entertainment parlours which is a Metropolitan Toronto licensing bylaw.

Mr. Clark: That is correct.

Mr. Rotenberg: If someone is in violation of that dress code and one of your inspectors picked that up, what is the penalty you impose? Can you revoke a licence for being in violation of your dress code?

Mr. Clark: Our solicitor advises me that, first, every case is heard on its individual merits. That is a very important thing. We do not establish any parameters--

Mr. Rotenberg: I did not say, "Do you?" Can you revoke a licence for violation of the dress code?

Mr. Clark: I was going to say that, because of that, it is very difficult for me to hypothesize. There are other circumstances. If there was testimony before us that a performer got carried away and on the spur of the moment decided to remove the bottom half of the outfit, and that was against the rules and regulations of the owner of that establishment, I doubt very much whether we would. On the other hand, if the owner of that establishment was saying, "Yes, if you are going to perform here, then you are to remove all your clothes," and that was part of the employment contract, then we likely would be revoking his licence, or at least looking at it very closely.

Mr. Rotenberg: On this same point, and this is probably one of the sticking points in the whole situation and maybe this is an unfair question: Should metropolitan council or any municipal body be able to legislate what in effect is obscenity over and above what is in the Criminal Code? Do you want to comment on it?

Mr. Clark: No, I do not.

4:30 p.m.

Mr. Breaugh: Here is another example of where a good, simple concept has gone astray. I recall, and Mr. Rotenberg will probably remind me of it, that a few years ago a problem was brought to the attention of the Legislature involving an emerging business that was seen by most people as not desirable, a couple of rather vicious crimes had occurred, and legislation was put in front of our noses which said, "There is something called an adult entertainment parlour; it is slipping between a couple of laws here and we want to stamp it out." Basically, I guess these were called body-rub establishments.

Good citizens that we are, we all said, "Right, we ought to correct that." We passed a piece of legislation. Now there is another one in front of our noses today.

Bill 11 mentions body-rub parlours and they seem to have a special place in the act, because under that section in Bill 11 some things can happen which would not happen in other areas, to the best of my knowledge. I must admit my research has been done in this committee room, not on the street where it should be. There are only four of these places still in operation in Ontario that this august committee has been able to find, which leads me to an interesting question. If there are only four of them, why is it a sinful part of this bill and why do those four places have a lot of their rights removed?

Then I find that someone, in pursuing this adult entertainment parlour, has decided that other places which are essentially taverns--represented by those gentlemen sitting behind you--which are licensed by the Liquor Licence Board of Ontario and which are licensed and inspected by you for health matters and a variety of other reasons, fall in that category as well.

I do not remember ever making a conscious decision that they ought to. Frankly, I was a little surprised to find out that they were. How did they get there?

Mr. Clark: Quite simply, Queen's Park gave us the power to license them.

First of all, you are talking about two different things. If I may comment on the body-rub parlour situation, I suppose the advent of them in our community was perhaps the motivating force for my becoming involved in this commission ultimately. Body-rub parlours could still exist today if they operated under the rules and regulations that were set up.

In fact, body-rub parlours were operating illegally and against the Criminal Code. It was not a licensing law that closed them down. Licensing has a power of revocation that many bodies do not have. That is where the real power lies with licensing: the power of revocation. That revocation is based upon not conforming to the laws of the land. That is how the body-rub parlours were closed down: because they were being convicted under the Criminal Code.

In turn, on the adult entertainment establishments, reading the legislation--and I am sure you have had the opportunity to do so, because it has been before you for a number of days--it is very clear when metropolitan council applied for the right to license these establishments that is exactly what they would be licensing. I do not wish to comment beyond that on the legislative process, either at Queen's Park or at Metropolitan Toronto.

Mr. Breaugh: In a bit of an awkward way you have brought before the committee some problems. Let me put on the record, for starters, that I think body-rub joints are places we do not really need in our society. If they were not illegal, they ought to be. Congratulations to all of us who passed the legislation in 1978 and then pursued it that eventually it has taken that business out of our society. It is one that I do not think we need. Second, we did so by a rather awkward process, I think.

Then I look down at your licence fee schedule. I would like to hear how you arrived at the fee schedule which you have, which I find interesting. If I take the strict point of view that your job is to license a business, no matter what it is, and to collect perhaps actual costs, the simple premise is that you do not say, "This is good or bad"; you just say, "It is a business and we are here to license and regulate it."

How come the fee to run one of these adult entertainment parlours--whatever they are, and we have a definition before us about what they are--is \$3,300 and everything else that you license and regulate is considerably less?

Mr. Clark: We rather anticipated this question.

Mr. Breaugh: I thought you might.

Mr. Barker: I have enough copies here so that maybe we could--

Mr. Breaugh: We did not want all that staff time being wasted.

Mr. Barker: --save time by you reading it instead of us talking about it and then we would be prepared to answer the questions.

Mr. Clark: I would say, while the members are have an opportunity of reading that, that this fee has been dealt with by the courts and the actual fee was challenged, as well as the bylaw, and it was upheld. I think you will see here that the fee is not unusual once it is related to the actual costs of our commission in this area or in this field.

Mr. MacDonald: This is cost recovery.

Mr. Clark: This is cost recovery; that is all it is, simply cost recovery. Frankly, I would say if we look at the entire area, and in the context of other enforcement agencies such as the police department--with whom we work very closely; Mr. Barker, prior to joining our commission, was a superintendent of the Metropolitan Toronto Police--if we took their costs into consideration, we would be certainly operating at a loss in terms of that field.

Mr. Breaugh: Okay. Now we have got your presentation on how you arrived at \$3,300. Let me pursue it just a bit further, because I think it is worth doing. I suspect that what is happening here, if we want to put it all out on the table, is very simply that somebody somewhere--probably not you--has decided that you do not want these businesses in operation, that these businesses are somehow undesirable and here is a fairly good bureaucratic exercise in why your fee should be \$3,300 for one business and \$1 for another kind of business.

If, for example, your council decided that bake shops were the sin centre of the world, that they were killing people with sweets, that nobody should be eating bread because that was the

main cause of heart attack in Metropolitan Toronto, and that you really wanted to do away with bake shops because they were killing people; and if you set to work seven bylaw enforcement officers into bake shops and you did 24-hour surveillance to see if they were not baking illegally after hours and all of that, you could probably run that fee up to \$3,300 a shot too.

How do you feel, as a licensing agency, about that amount of looseness in the process?

Mr. Clark: I would say, first of all, your comments are presupposing irresponsible individuals in government at the municipal level. I do not share that concern.

Mr. Breaugh: No, I did not say anything nasty about--

Mr. Clark: I think such an example would be total irresponsibility, complete irresponsibility.

Mr. Breaugh: Just let me stop you there, because the gentleman beside you is smoking and I know that on the metropolitan council--and so are you smoking--there are certain advocates who would say that smoking is killing more people than any other activity--

Mr. Rotenberg: More than body rubs.

Mr. Breaugh: More than body rubs, that is for sure. I know some of the people on metropolitan council who are just fierce whenever I light up a cigarette. I know that with the very best of intentions, with very honourable motivation, they feel very strongly about that. If they ever set their minds to go to work on tobacco shops, we are all in big trouble.

Mr. Clark: Oh, no--

Mr. Breaugh: I am not questioning their motives or anything like that. It is their personal decision. It is a very honourable one, it is clear, it is logical and it is rational, but it is a choice which they could exercise. That is the amount of latitude we have at work here.

Mr. Clark: First of all, the legislation which is before you today, or the bill which is before you today, allows us cost recovery only.

Mr. Breaugh: Yes.

Mr. Clark: That is number one.

Mr. Rotenberg: (inaudible) you can set a higher fee.

Mr. Clark: No. But we are talking now about tobacconists and things of this nature. In fact, it is the commission's position that we would likely abdicate that field. As you see in some of the enclosed material, I believe that is mentioned. However, we are not allowed to, under present legislation here.

Interjection: Right.

Mr. Clark: But beyond that, yes, there is that law, or there is that possibility. But really, even under a 24-hour enforcement procedure, etc., it is a polarized example and I cannot think of one example where that kind of thing were triggered. If it were, you could rest assured there would be sufficient political pressure brought to bear that that be changed, plus legal pressure, I am sure.

No municipal politician, no provincial politician, no federal politician is going to be a party to that in the long haul. Action would be taken to ameliorate the circumstance. I think the way the legislation is drafted today is a very good, logical procedure to follow. One has to remember that we have had licensing in Metropolitan Toronto since 1957. There has never been an example of that abusive power or any abuse within the province, and really what you are saying here is no different from what has existed in Metropolitan Toronto and other areas and regions since day one. I think Mr. Cohen has something to add.

4:40 p.m.

Mr. Cohen: In terms of fees that may be charged, there is always the option of seeking a court review of the particular fees that are being charged, because the courts look at each particular situation on a case-by-case basis and determine whether the fees are reasonable in the circumstances. If they are considered to be prohibitory or confiscatory in terms of the operation of a particular business, they will then strike down that particular aspect of the licence fees. So there is that protection available to whatever businesses may be licensed under this proposed legislation.

Mr. Breaugh: I appreciate that. I am trying to put to you the practical, honest-to-God truth that if I sit on a council and I want something to happen, and I have at my disposal a group of staff people who are bright and well trained, and they cannot put together a justification as you have done for this licence fee, I will not have them on my staff very much longer. I expect them to be professional, I expect them to be sharp and when my council tells them I want to have substantial cost recovery here--in other words, I want you to be creative enough. I am interested that you did do an investigation into nude ping-pong, but not interested enough to set a fee of \$3,300 for it. I am not sure that is the most productive thing for our society to do.

Mr. Clark: I think that's an unfair comment. As one member of this delegation, I do not wish to be a party to fabrication of facts.

Mr. Breaugh: I did not say anything about that.

Mr. Clark: No. You are saying that the staff was directed to--

Mr. Breaugh: I could have, but I did not say that.

Mr. Clark: That is not the case. Those are costs that have been absorbed by our commission.

Mr. Breaugh: Sure. You spent the money.

Mr. Clark: No. We spent the money in this area of licensing, and there is no question of that. At one time, we had as many as 19 enforcement officers dealing in this field.

Mr. Breaugh: Right. You see I don't--

Mr. Brandt: (inaudible) tested in court?

Mr. Clark: Oh yes. Sure.

Mr. Breaugh: I don't doubt the veracity of anything you said, or the intentions of anybody who ordered you to go out and get these things put together, or the integrity of any of the staff people who did any of that. All I am trying to point out to you is that there is a small foible in our society that allows this to happen. It happens all over the place.

Mr. Clark: Allows what to happen? I am sorry.

Mr. Breaugh: Allows that fee to be \$3,300 and a fee for some other business to be \$1.

Mr. Clark: But that is the whole basis of licensing--cost recovery, and those are true costs.

Mr. Breaugh: Oh, sure. Listen, I don't--

Mr. Clark: In other areas, it does not cost anything--

Mr. Brandt: Can I attempt to help in a different direction? If it was determined that this adult entertainment was bad in somebody's mind and if you wanted to step up your enforcement, could you not just increase the fee to \$15,000 or whatever?

Mr. Clark: Sure.

Mr. Brandt: In other words, just by increasing or accelerating the number of checks, the type of checks, and so forth, or by increasing the number of people--

Interjection.

Mr. Brandt: I am not saying you would do it--

Mr. Clark: The potential for abuse is what you are talking about. Mr. Cohen just indicated to you, and we also indicated earlier, that it has been done, that there is still the legal process that has to be followed. If we abuse that power, certainly the tavern owners have indicated in the past that they are prepared to do it and I am sure would do it again, they would be back in court saying: "Look what has happened here. This is unreasonable and unconscionable enforcement," and I think they

would be very successful in doing that. I am confident they would be successful in that action.

Mr. Breaugh: I am not using words like "abuse."

Mr. Clark: I think that would be an abuse.

Mr. Breaugh: I am trying to demonstrate that there is in here, without getting abusive or obnoxious or anything else, the opportunity for a council to direct its licensing commission to do certain things that are going to get very expensive, and they are making the choices as to how much they want to put into that and what kind of resources they have got. Then the staff people are doing what they are ordered to do.

Mr. Clark: Council does not direct our commission. Council passes bylaws and our commission decides how these bylaws are going to be administered and enforced. It does not direct. Then we would lose--

Mr. Breaugh: With all due respect, when a municipal council sets out to draft a bylaw and has its lawyers write it up, that is pretty clear direction.

Mr. Clark: Yes, but they certainly do not direct us how our enforcement is going to be directed.

Mr. Breaugh: We are arguing a bit about the process by which the direction is given.

Mr. Clark: We are talking about costs. They do not direct us on how we are going to operate that commission. We are an independent body and, in fact, that is why members are appointed outside of Metropolitan council.

Mr. MacQuarrie: Surely you have to put a budget in each year and your budget certainly governs the amount of enforcement that you are going to be doing, and they have some control over the budget.

Mr. Clark: Yes, but they certainly do not direct us on how that budget is to be spent beyond the fact that they give us that money and--

Mr. MacQuarrie: Is it a global budget that they approve or line by line?

Mr. Clark: We have a line by line budget, I do not deny that, but what I am saying is they do not come to us and say we want your enforcement to be in a certain area. They are just saying you can only have so much enforcement. There is a limit.

Mr. MacQuarrie: But I am saying that they do have some control over your enforcement in an indirect way.

Mr. Clark: No, they do not. The only control they have is in the revenue that they are giving us, but they do not direct

us on how we are going to operate that commission and how we are going to oversee industries.

Mr. MacQuarrie: But certainly that affects the quality of enforcement.

Mr. Breagh: With all due respect there are two major sets of directions given to you by Metro council: in the first place when they draft a bylaw where they tell you what they want you to do, and the second place is financial, where they either approve or do not approve your budget. They have you coming and going at both ends of the process and the fact that they do not pick up the phone every day and say, "Go hassle that guy," is rather irrelevant. For example, in my municipality we do not have a licensing commission. We do not have them doing the kind of activity that you do. In essence, the council in my community is saying, "We do not think this is important enough to set up an agency to monitor or to license or to set a budget for it." That, in a sense, is very clear direction.

Mr. Clark: Perhaps I am being a little too detailed or being a little picky about it and being semantic. Your comments do not deserve that and I apologize. What I am really trying to say is that in the reality of the situation, or the way we operate, the members of the commission do not and will not even speak to a member of council about any matter that is before us. There really is a great deal of independence there and I have the greatest respect for members of council because they have always acted in a responsible fashion. I have never had anyone try to influence me on any matter that is before our commission.

Mr. MacDonald: Can I ask you a quick supplementary? The Hamilton commission was before us and said: "The council says to us, we do not care what your enforcement is. If you want to add 15 more people to your inspectors, fine, as long as you raise your fees so you cover your requirements." Are you really financially free in the same way as they were?

Mr. Clark: We have had a freeze on our complement by Metropolitan council. We are not permitted to hire any more staff. I think that is indicative of the amount of monitoring that is done on a budgetary basis.

Mr. MacDonald: You are not as free as the Hamilton people.

Mr. Clark: Certainly not, not anywhere near as free.

Mr. Breagh: Could I ask you just one final question then? I have this basic problem. Let us say we take taverns and entertainment of all kinds in all different places and license them, which I would support, what I am having great difficulty with is how many times will we do that same thing? How is it reasonable to take something like a tavern or a lounge or a theatre, which are controlled in a number of ways--and if something is obscene I have police officers and a court system to help me determine that in a legal sense. How do I justify having a license commission doing much the same thing?

Mr. Clark: As a citizen I share those concerns. You brought the example of the tavern and we went through this-- I would like to think that we are a relatively responsible body; we have reviewed our bylaw in the past three years and have rewritten our bylaw. We have reviewed the industries that we are licensing and whether we should be in that field. We have reviewed our fees to see whether they are disproportionate.

In the case of the tavern the one thing that a licensing commission enjoys that a health board and all of these things do not enjoy is the power of revocation, the power to put the real abusers out of business. The health board, as an example, could put a closure order in. The individual rectifies the situation which triggered the closure order and they open up again. They can be consistent offenders. All of a sudden the health board will then come to our licensing commission saying, "This person is not interested in operating in a responsible manner, in the care or distribution of food. We would therefore present this material before you," and for all intents and purposes they act as prosecutors before us. That is why we are into that field.

4:50 p.m.

Liquor licensing deals with other areas. It deals with the suspension or revocation of a person's liquor licence; it does not deal with whether or not he is going to continue on as a restaurant. Our licence pertains to that portion of the business, not the liquor licence. It deals with the restaurant or the victualling portion. If there were one body to oversee that entire area it would make a lot of sense. I am sympathetic to tavern owners, because they are licensed by so many bodies that they constantly have inspectors in, but they are dealing with different areas and different elements.

Mr. Breaugh: For example, I believe there still are some, I believe the technical term is "strip joints," in operation on Yonge Street which do not serve food, alcoholic beverages or anything. There I can see a licensing commission would be picking up a business operation which is relatively unregulated by other things.

I do not have any problem at all with Metro, or anybody else for that matter, in licensing some designated group from a municipality saying, "Here is a business that is not regulated." The guy across the street serves food and so we have got him this way, and the tavern up at the corner is regulated nine ways from Sunday, but down here in the middle of the block is a business which is unregulated. That is where I see the role that is useful for you to play.

What I have a real problem with is that that was the premise under which we began this process. Now if we could retain it at that level, that you were to license, to regulate a business like that which otherwise would go unregulated, I would find your activities supportable. I am having great difficulty, though, justifying why you are in a sense licensing taverns and setting a fairly substantial fee. I mean, you are going to make some

distinctions that I am choosing not to make, but that is my problem. Why do I have so many people, so many agencies at such great expense falling all over themselves relicensing the licence?

Mr. Clark: First, a lot of that licensing lies with the province.

Mr. Breaugh: Yes.

Mr. Clark: I think that is certainly something to be dealt with. We are dealing with what are municipal responsibilities. As a commission we are dealing even more tightly; we look at victualling, the tobacco licence and all that. We want to group them all together and say, "There is the licence you have," rather than, "\$10 for this, \$2 for that, and you have to keep it there." It is just going to be one group licence. It is a matter of updating legislation. Unfortunately, we cannot do it at this stage. That answers that part.

If a person has two uses, and let's say as an example that a striptease operator is serving food, we cannot revoke his food licence because he is a striptease operator. We can only revoke it because of the licence he holds, the form and substance of that licence, what he does with it and whether he works within the rules and regulations established by council.

There is some overlapping, but not that great an overlapping. In most cases, a business licence is a business licence, but then there is some overlapping, which you yourself indicated in your question.

Mr. Breaugh: Are you now licensing, under the adult entertainment parlour, the Imperial Room at the Royal York?

Mr. Clark: No.

Mr. Breaugh: Why not?

Mr. Barker: It is at present under investigation and we have it before our legal people at the moment.

Mr. Clark: It is under investigation. I do not know what is going to happen. Because it is under investigation, I do not feel that I can comment any further than that, but there is every possibility they may be before our commission for operating without a licence.

Mr. Breaugh: Are you licensing as an adult entertainment parlour the premises known as Le Strip on Yonge Street?

Mr. Barker: Yes, sir.

Mr. Breaugh: You are. So that is an adult entertainment parlour licensed, supervised and regulated by your commission?

Mr. Barker: To the best of my knowledge, yes.

Mr. Breaugh: We had before the committee the other day

the Toronto Theatre Alliance, questioning the basis upon which I believe you attempted to revoke a licence at Basin Street.

Mr. Clark: No, we charged them.

Mr. Barker: No. If I may respond for Mr. Clark, the situation there was that we got complaints from tavern owners who are at present licensed by us, saying, "How can they operate without a licence?" Our people went in, watched a performance and did a full, detailed report. We sent it to our legal people and said, "Is this in contravention, or do these people require an adult entertainment licence?" The response was "Yes." We then approached these people and laid a charge. The charge went to the lower courts and the good judge determined that they were not in violation. That matter is now being appealed on the advice of Metro legal.

Mr. Clark: It is still the position of this commission that they do require a licence. In fact, the producers of Oh, Calcutta! at one time anticipated their performance coming here and operated in the proper fashion. They approached our commission and requested a ruling as to whether or not they would require a licence.

Mr. Rotenberg: Did they?

Mr. Clarke: They invited us down to New York to see the show but we did not have the opportunity to go.

Mr. Brandt: Just to clarify: If you have 63 establishments that are licensed under the adult parlour category--you are limited to 63 and you have 62 in operation now--mathematics would indicate that is about \$200,000-plus in revenue which you are using for enforcement purposes and which you have indicated is a direct cost and reflects what your actual expenditures are relating to those 60-odd establishments. Is that reasonably correct?

Mr. Clark: Yes, it is.

Mr. Brandt: What do you check when you go in?

Mr. Clark: We are in constant check. First of all, a lot of our costs relate to the preparation of even material that appears before a commission and the past history of dealing with this matter. We are in a recovery mode now. Our checks now are as to whether or not they are operating under the rules and regulations established by the bylaw. It is as plain and simple as that, and that is the dress code and various other elements which relate to it. We also liaise with the police department on this matter.

Mr. Breaugh: If I could just conclude: I mentioned three places. One is a dinner theatre, one is a rather posh room in a major hotel which I have never had the privilege of visiting, and the third is a strip club that does not serve food or beverages, as I understand it. Of those three, two are clearly places of business that are regulated enough, in my view.

Mr. Breithaupt: Which two?

Mr. Breaugh: I do not think the Imperial Room or Basin Street need another licence.

Mr. Clark: You have to remember that licensing does not discriminate. If we are going to license in a field, we have to license everyone. We do not distinguish between applicants other than to say that we require a licence.

Mr. Breaugh: Okay, let me stop you there. The distinction I want to make is that I have no argument about their being licensed by somebody. My argument is, why do they have to be licensed by what seems to be everybody?

Mr. Clark: Let us assume for the moment that the Royal York Hotel--no, let us not talk about the Royal York Hotel because that could be before our commission. Let us assume for the moment that Basin Street or another licensed establishment is found to be licensed for food but not for adult entertainment. We cannot revoke his food licence very easily at all because he has adult entertainment. We have to deal with the use.

When the community in the form of the metropolitan council decides there is a need for licensing, nobody has the power to discriminate. Therefore, everyone who operates that type of business must hold that type of licence. It is as simple as that. Because you have one licence does not mean you should not have another, because that licence relates to that form of business.

Mr. Breaugh: I find you have taken the logic that there is in what you have just said to a degree where I find it becomes illogical. It is much like the taxicab thing where we started out by trying to save gasoline, in theory, and by the time we were finished with it, we were into something which many of us, especially me, feel is a completely illogical and useless exercise, serving no useful purpose to anybody that I can identify. In my view that is almost what you have done in this instance as well.

There is a court system out there to judge what is obscene and what is not. There are police officers to determine whether there is something going on that should not be going on. There are all of these inspectors out there seeing that the place is clean, that they do not clip people and all of that stuff. I do not need another layer of licensing on top of that.

5 p.m.

I can identify the places where nobody is licensing it, and I am happy to say that I would like to see the municipalities go and license those premises. Many of the arguments we have heard from Hamilton and from the Association of Municipalities of Ontario this morning indicate that municipalities need and, I think, ought to have the ability to move in quickly to license businesses that spring up that are not covered by the province or the federal government or anybody else.

But we are also now heavily into areas that are licensed by a lot of folks, regulated by a lot of folks, and I do not see any useful purpose being served by having you hard at work there. I am not questioning your motives or your integrity or anything else. I am just saying that I would rather take the human resources and the money we are spending on your municipal licensing commission and put it into some area that is not regulated at all. That would seem to me to be sensible.

Mr. Clark: But the whole thing is that you cannot deal with one classification of licence to eradicate another problem that the community--

Mr. Breaugh: I am not trying to do that.

Mr. Clark: Yes, you are, because we cannot take a foodstuffs licence and revoke it because the man has a form of entertainment that council does not agree with.

Mr. Breaugh: I am not asking you to do that.

Mr. Clark: Metropolitan council in its wisdom and Queen's Park in its wisdom, and I emphasize that, said: "In the area of adult entertainment we want certain rules and regulations. One of those is a code of dress."

We cannot revoke a man's foodstuff licence. We say, "We are not going to licence you for adult entertainment because you have a foodstuff licence." We cannot revoke that because his dancers do not wear G-strings. We have to be dealing in the area of law that that licence relates to. So there is an overlap, but there is a constitution and the constitution says those types of things.

The only thing we can deal with, once again, is setting the rules and seeing that people follow them. We do not just refuse it. We just set the rules and see that they follow them. I do not think that is a great hardship.

Actually, we do not set the rules; Metro council, the community, the elected representatives establish those rules and regulations as a reflection of the community needs. That is their job, as it is your job to reflect the needs of your constituents. Therefore, one of the vehicles they use to reflect those needs and to see that they are followed is a licensing commission or a police force.

Mr. Breaugh: I really have great difficulty coming to any rational reason why the rest of Ontario gets along okay, no problem. I do not hear any outcry in my community to set up a licensing commission to license adult entertainment parlours in the way you have; I do not hear any big outcry from Hamilton or Windsor or any place else to do the kind of action you do here, which in those communities is done by a police force.

I am trying to figure out just what kind of licensing you should do. What makes good sense? What kind of service can you perform for your community that is necessary and wise? When we set

up a bill like Bill 11, do we pay special attention to certain kinds of licences, as is in this draft that is before us now, or not?

Mr. Clark: There is a licensing commission in Metropolitan Toronto, and licensing up until 1957 was dealt with by a department of the police department. The only reason there is a licensing commission in Metropolitan Toronto today is that, first of all, they felt the quasi-judicial function should be separate from the enforcement function and from Metropolitan council. The reason Metropolitan Toronto is into licensing as deeply as it is is simply sheer numbers of people. You have brought up adult entertainment. It is not a problem in Bala, Ontario. It could be a problem if they opened there, but there is not the market. In a large urban market certain things exist and happen that do not exist in other markets. It is as simple as that, and that is why there is a commission.

Mr. Rotenberg: There is another problem I would like to draw to your attention. When you talk about the Royal York Hotel, Basin Street and so on, if these establishments that are already in business choose to bring in a show that you deem to be adult entertainment, you say, "Yes, they require a licence" and you go out and say, "Hey, fellas, get a licence or we are going to charge you." On the other hand, you said you are only going to have 63 licences in Metropolitan Toronto. You are already up to 62, so if Basin Street took theirs as 63, what does the Royal York do when they bring in this show, which is legitimate and quite legal, and you say, "Hey, you have to have a licence." They say, "Fine, we will get a licence." You say: "Wait a minute, we have 63 already. We cannot give you one because we are up to our limit."

Mr. Clark: The legislation does not preclude our increasing the number of licences.

Mr. Rotenberg: But then you would have to go back to council to change the bylaw.

Mr. Clark: Oh, yes. In fact, in an instance such as that we would probably seek the direction of council. That would be the way I would suggest we proceed on a matter such as this.

Mr. Rotenberg: It would be kind of strange to charge them for not having a licence when you will not give them one.

Mr. Clark: Yes, that's right. There is a conflict, and that is why I said this matter really has not been dealt with in the courts yet.

Mr. Chairman: The chair is going to give Mr. Brandt that much of a question on this.

Mr. Brandt: The parliamentary assistant may have answered this but, if Mr. Breaugh will just allow me to interject for a moment, I would like to ask him, since we have been touching on this question of fees as they relate to the actual cost to the licensing commission and so forth, whether we can be assured in our own minds that adult entertainment parlours are treated the

same as other parties are treated with respect to the actual cost recovery factor.

Mr. Breaugh was approaching this from one particular angle. I used an exaggerated example in which you might have an overzealous commission, certainly--

Mr. Rotenberg: Let me put it to you this way. The way the legislation is now set up is that for adult entertainment parlours, body rubs and taxicabs, the licensing body can charge a fee which is not related to cost recovery; it can charge a higher fee. That is the present legislation.

Unless we, on the advice of the government and the advice of this committee, change what is now in the present act and has been in the previous legislation for adult entertainment parlours, you cannot be assured of that, because Metro licensing can just put on a flat \$10,000 fee and not relate it to cost recovery. They have that power under the present act. That is one of the things that has been before us which we have to consider and one of the things I want this committee--

Mr. Brandt: The only recourse to an owner of an adult entertainment parlour who is charged an arbitrarily high fee--almost a fee that would be confiscatory in the sense of the licence, \$10,000, \$20,000, whatever the traffic would bear to put the guy out of business--is for him to go to the courts. Is that correct?

Mr. Rotenberg: The fee should not be prohibitive; the legislation does not allow them to prohibit. Therefore, if it was prohibitive they would go to court and say it is unreasonable. Yes. That is the only recourse the way the legislation is now written.

Mr. Brandt: All right, but we are getting the assurance at the moment from the licensing commission that the \$3,300, in your opinion at least, is a recovery fee. In other words, the philosophy of the commission at the moment is that recovery of your actual cost to police or to license the 60-establishments is of the order of \$200,000.

Mr. Clark: Yes, and that reflects it over a two-year period. We do a review every two years on our fees.

Mr. MacQuarrie: You indicated earlier you were in a cost recovery mode.

Mr. Clark: That is correct.

Mr. MacQuarrie: I was wondering if the cost recovery mode covered previous years when you were involved--

Mr. Clark: Yes, it did, when we were in deep recovery. That will be reviewed very shortly because of the fact that we are going to be dealing with the 1983 budget at metropolitan council, and our budget is predicated upon our fees and what not. What happens is that we deal with our budget on a zero-based budgeting

function, and then our fees are adjusted after looking at all costs.

Mr. MacQuarrie: The rationale you gave us for the \$3,300 fee referred to lengthy litigation during the mid-1970s and so on. Presumably the \$3,300 was established to recover some of the costs that were involved.

Mr. Clark: Absolutely. I am certainly not prepared to make a commitment before this committee or anyone, because I do not have the facts before me, but there is always a possibility that that fee will be reduced, given our philosophy.

Mr. Breaugh: When I see anybody reducing a fee for anything, I am going to fall--

Mr. Clark: If you look at the material before you, you will find our commission has reduced the fees to a number of categories of licences. If this bill goes through, we will be reducing them to a number more, because there are some for which the fees are set under statute and they should be substantially greater, given our enforcement cost, and we will be recovering more in those areas and we will need less in other areas. So there will be some fee reductions.

Mr. Brandt: But it is also possible, given the nature of the business you are regulating, that of the 60-some-odd businesses, and because of the global application of the fee as it relates to the individual operator, that if you had one lengthy court case with one bad apple, you would have 62 other people sharing in the total cumulative cost of whatever that particular court case might happen to--

Mr. Clark: But that is what happens with government, is it not? If this government becomes involved in lengthy litigation where it has to have a team of lawyers appear and take it to the Supreme Court of Canada, it ultimately has to come out of the tax base. You are talking about a general tax base, we are talking about a specific base which is the licensing base. It is not different, and in fact it ultimately reflects the proper elements to it.

Mr. Rotenberg: Even if they (inaudible) win the court case and get awarded costs, you get them back the other way.

5:10 p.m.

Mr. Rotenberg: If they win the court case and get awarded costs, you would get them back the other way.

Mr. Clark: Yes, of course, and we can reduce the fees accordingly as a result.

Mr. Rotenberg: Mr. Chairman, there was one other topic that I wanted to know if Mr. Clark wants to talk about.

Mr. Chairman: Right.

Interjections.

Mr. Mitchell: You are aware that we have agreed to meet some other witnesses.

Mr. Chairman: No. I had figured that we had gone on long enough with this. We were into philosophies and these gentlemen are creatures of a statute and not privy to the philosophy behind that statute.

Mr. Brandt: They have been very helpful.

Mr. Chairman: Mr. Rotenberg wanted to get into the video games which, I believe, is the other major thrust of the Metro Toronto--

Mr. Mitchell: You just go along Wellesley Street and turn right.

Mr. Rotenberg: Mr. Chairman, what I wanted to ask Mr. Clark is, you have given us what is a request for legislation from metropolitan council.

Mr. Clark: Yes. That is correct.

Mr. Rotenberg: Are you prepared to comment on that, or do you figure that is all political and it is beyond your scope to comment on the reasons why they want that sort of legislation?

Mr. Clark: I have been party to some conversations relating to this and I will discuss it to the extent of my knowledge. I will try to avoid speculation.

Mr. Rotenberg: You ask for a number of things. You want to define the part or parts of (inaudible) schemes to be established and you want to be able to restrict them from proximity to schools or other classes of buildings, places and uses. It is our feeling--this has been before this body from a number of other municipalities--that this can be done by zoning. Your constituent municipalities have done that by zoning and the city of Toronto very definitely has done it through the Ontario Municipal Board and through the courts. Having established that all those things--B and C in your request--can be done through the Planning Act, why would metropolitan council ask for it to be done through licensing?

Mr. Clark: I am going to defer to the solicitor on this one. This is really a legal issue. It is a highly inflammatory issue, as you are well aware, Mr. Rotenberg, and certainly you have appeared before our commission on one of these issues.

Mr. MacQuarrie: One gentleman the other day advised us that these were extremely valuable sociological outlets in that (a) they concentrated the kids for the truant officer and (b) they were educational in themselves.

Mr. Brandt: The dexterity factor.

Mr. Clark: My son makes those same representations every time he wants some more quarters, so I fully understand that.

I will defer to Mr. Cohen. He is in a much better position to deal with this, because he has taken it through metropolitan council, shall we say.

Mr. Cohen: Mr. Chairman, in terms of the zoning power as compared to the licensing power, surely there is the ability for the area municipalities to deal with it in terms of zoning. But the council has determined that there is an ongoing problem with respect to these types of activities in relation to what are classified or characterized as places of amusement, including video arcades and other establishments where electronic games are available for the public.

Mr. Breithaupt: What is the problem?

Mr. Cohen: The problem, as I understand it from the council discussion, is the fact that there are a number of these types of establishments located in close proximity to various public schools and high schools, and there has been a great deal of concern expressed by members of the public with respect to those types of operations being near those schools and resulting in problems of absenteeism and--

Mr. Rotenberg: Mr. Cohen, is it that they want to get at the present ones who would be legal nonconforming uses under zoning, and they want to be able to put out of business by licensing what they could not do by zoning because they would become legal nonconforming uses? Would that be the thrust of council?

Mr. Breithaupt: I think that is exactly what it is.

Mr. Cohen: In the proposed request for amendment to legislation there is a request that in particular areas of Metropolitan Toronto the municipal corporation be given the power either to regulate or to prohibit this type of activity in relation to particular geographic areas, particularly schools and other types of--

Mr. Rotenberg: Do they want to be able to prohibit those that are now there? In other words, is the thrust of the Metro request for legislation to be able to put out of business someone who is now there, or just to prohibit the future ones? Or can you answer that question?

Mr. Cohen: In terms of the ones that are ongoing, obviously there would be a problem with legal nonconforming use and there would still be a requirement in terms of the ability of the municipal corporation being able to regulate that type of activity. There still may be a question that has to be determined by the courts, perhaps, as to whether or not the Legislature should empower the municipal corporation to permit that type of activity in terms of operations that are already in existence.

Mr. Rotenberg: At a municipality's request we can do it.

We can give them the power to put legal nonconforming uses out of business. What I am asking you is--I was not at the debates and I cannot tell from the printed paper--does metropolitan council want the power to put legal nonconforming video game parlours out of business or just the power to regulate the future ones?

Mr. Cohen: They want to have the power to regulate or prohibit, whether it is an existing operation or a future business.

Mr. Clark: I think the existing zoning bylaw would deal with future businesses. I think that is a fair statement.

Mr. Chairman: As we summarized earlier this morning, you would like the video games set in the same retroactive situation as body rubs and adult entertainment.

Mr. Clark: That is what the request in fact sums it up to be.

Mr. Chairman: Right.

Mr. Rotenberg: What is the rationale for employees under the age of--there is something about employees under the age of 17, isn't there?

Mr. Clark: The rationale behind that, Mr. Rotenberg, was that we felt that it required an individual with mature judgement to be in charge of these establishments, to see that certain abuses do not exist where there is a gathering of younger children who tend to frequent these places.

Mr. Rotenberg: It is not just the management; you want all employees of an establishment to have to be over 17.

Mr. Clark: It is difficult to define managers and whether or not they are on the premises. That is why we have just established an age.

Mr. Cohen: It would be all employees of that type of an establishment.

Mr. Clark: There are difficulties. Someone is given a title of manager but is an absentee in form and substance, so therefore you end up in fact with a very young child in charge of the establishment. We established that age as a way of dealing with reality.

Mr. MacQuarrie: Mr. Chairman, I think this has been a very helpful delegation and very practical.

Mr. Epp: Very revealing.

Mr. MacQuarrie: There are other delegations.

Mr. Chairman: Yes. I believe there is one other delegation. I believe one has requested by signal that he does not wish to appear.

I think Mr. Breagh had one short, maybe even a one-part question.

Mr. Breagh: Nice try.

This is another area where I have some grave concerns about it. For the life of me, I cannot figure out why video games deserve all of this attention. There are laws going through the Legislature, all these reports. I have to ask you a couple of questions about some of the recommendations you have got here in front of us in this exhibit 44.

You say, "The unusual situation would be a breach of the bylaw for a licensed establishment owner to have school-aged children attend his premises during regular school hours."

The net effect of this would be the owner would have to stand at the door and beat off the kids, that somehow it is a crime. He does not have to do anything, but if a kid walks in his door, he has committed a breach of the bylaw. Is that not an unusual version of the law?

Mr. Clark: Mr. Breagh, I do not wish to comment on that. I would comment only to the extent that we have found where there are good, responsible operators, as a matter of policy in trying to deal with the parents in the community, they want them in there as customers and they want their children to be allowed to go into their establishments. They will do this in order to be co-operative citizens of the community.

Mr. Rotenberg: The Liquor Licence Act is exactly the same. If somebody under 18 is there, that is automatically an offence.

Mr. Breagh: I am having a little trouble here in the extrapolations. You have no problem with me when you are talking about houses of ill repute or body rub joints, but it seems to me video games are a little different than that. They all should not be lumped into the same category. That is my difficulty here.

Do you really feel that your bylaw enforcement officers can do something constructive in the way of monitoring the activities of licensed establishments? The industry was in here the other day and said it had somebody who was going to do a sociological impact study of video game parlours. I hope they hire an eminent unemployed sociologist to do that study. I would suggest that maybe there are people around who can make such judgement calls in such academic studies as that. I am not terribly sure that your bylaw enforcement officers are going to be able to do that.

5:20 p.m.

Mr. Clark: First of all, I am confident that our bylaw enforcement officers are not qualified to do that kind of study. If we were to undertake such a study, we would seek outside assistance in that matter if we felt there was some efficacy in it. I will not comment beyond that.

At the same time, this is an issue that has become inflammatory, and I am sure every member of this committee has had to deal with it in his constituency. I do not wish to comment beyond that. Certain decisions have been made. They are being dealt with and an application is before you.

I think the application before you is really a different use of zoning, that is, metropolitan zoning and particularly zoning as licensing. I fully suspect, as Mr. Cohen indicated, that this is going to be dealt with in the courts. I, for one, am going to be a very interested observer.

Mr. Breaugh: I just have a couple of comments in closing. I cannot envisage how anybody deems it fair that you would put in Bill 11 something that would take away long-existing rights, like nonconforming use in planning matters, because of video games. I have a hard time with that.

We have video games in Oshawa that have been there for three years. I have not had a phone call, a mention on the street from kids, parents or anybody in my community to say that whole field is a problem. They bitch to me about everything under the sun. There is absolutely no reluctance to stop me in Becker's and give me an earful about the world's problems.

It really strikes me that if this whole video game stuff were such an evil thing, my people would twig to that, but I have not heard one word about them since they came in. That is my problem. How come something is such an evil thing here in Toronto, Windsor and places like that? A block away from my office there is one of them running and nobody has ever complained to me about it.

Mr. Clark: Toronto is reputed to have very active resident ratepayers' groups. I will not comment beyond that. Occasionally, some issues may come before us that are more perceived than real. What you are seeing may reflect the reality of the situation. Nevertheless, if it is a problem in Metropolitan Toronto, and it is perceived to be a problem by the metropolitan council, then I do not see why Toronto cannot deal with the difficulties within its boundaries, even though they may not exist outside those boundaries. That is really the issue, that various municipalities be able to deal with the difficulties that exist within their boundaries. Toronto is unique because of its size and the types of things that occur here because of the market. That is why we have a much more active licensing body than other areas.

Mr. Chairman: I would say, Mr. Clark, in relation to video games, that Metro Toronto is no different from Cambridge, Kitchener, Windsor, or Woodstock for that matter.

Mr. Clark: No. But I am talking about the proliferation and what comes along with that.

Mr. Rotenberg: We have had other municipalities ask for similar things to Metropolitan Toronto.

Mr. Clark: I am sorry; I was not aware of that.

Mr. Rotenberg: Windsor, London, Cambridge.

Mr. Cohen: Could I just make one clarification about the video arcades? In terms of the businesses that are currently licensed, I am not suggesting that any of those licences will be dealt with in any way. They will be permitted to expire and, once the new legislation comes into place, there will be a new bylaw based on the licensing legislation.

If your committee, the government and the House see fit to grant this request, it will determine where these particular premises are going to be permitted in terms of the location in relation to schools and other types of activities.

Mr. Chairman: Thank you very much for your presentation. We are very much in your debt.

I believe we only have one more person, Mr. Skye. Before Mr. Skye starts--this is the chair speaking at this point, perhaps for himself only, perhaps for others--there is not a member from Metro Toronto on this committee. Mr. MacDonald is, but he will not be with us in the fall. Therefore, none of us has any inbred, original knowledge of the taxi industry.

I thought 24 hours ago that I had a reasonable grasp of the taxi problems in Metro Toronto and therearound in a 100-mile radius. I find now that I am confused probably more than I was two weeks ago.

Mr. Breithaupt: That is why they made you the chairman.

Mr. Chairman: So we are going to hear from one more person to do with taxi matters: Mr. Skye.

I would ask the ministry people to come forward in the fall and start by leading us by the hand through simple steps one, two, three, making no assumptions of prior knowledge on the part of any of us, to try to lead us down to where we can make a sensible judgement with all the octopus arms out there, with the various shadings and values and so on. I would ask the ministry and the parliamentary assistant to do that for us.

Mr. Rotenberg: Who does come from Metropolitan Toronto.

Mr. Chairman: Yes. But you must assume that of the other 12 in this room, none comes from Metro Toronto.

Mr. Elston: Lead us on the path of logic rather than down the garden path.

Mr. Brandt: Down the path of righteousness.

Mr. Chairman: Mr. Skye?

Mr. Skye: Mr. Chairman, Mr. Rotenberg and distinguished members of this board, my name is John Henry Skye, past vice-president of the Metropolitan Toronto Taxi Drivers' Association.

Mr. Chairman: Exhibit 42 is Mr. Skye's brief. Exhibit 43 is the map. Carry on, Mr. Skye.

Mr. Skye: In the year 1976, the airline limousines had a monopoly both here in Toronto and in Montreal. The taxi drivers in Montreal got fed up with the way in which they were being treated and not making any money out of their airports; so they took the matter into their own hands. They blew up the limousine garage, they burned some of the limousines and they shot one driver. Needless to say, they broke the monopoly. Whereas in Toronto, being the law-abiding citizens that we are, we took the limousines to court and broke the monopoly legally.

That in turn opened the airport to all taxicabs and limousines. For a while it worked. Everyone was happy. Then the airline limousines took over the lucrative doors of the airport and made good money, while the taxi drivers were given the poor doors and local runs and made very little money. As a result, fights broke out among limousine drivers and taxi drivers more than once.

It got so bad that eventually the taxi drivers blocked all entrances and exits to and from the airport so that we could have our differences looked into by the airport people. It was then that the government got into the act and issued special Toronto International Airport plates at a cost of \$875 per plate. But you had to be an owner before you could get one; you could not be just a driver. In Mississauga and the surrounding areas, 234 were given, and 69 went to Toronto, on the understanding that they were not to be transferable. If you sold your taxicab, the plate reverted to the government. The plates are now worth \$10,000 on the open market. I don't know how they got on the open market.

Now the problem is with Mississauga. As you may or may not know, Mississauga has overissued taxi plates for its small community and the drivers are crying poverty. They cannot make any money in Mississauga, because there is no business in Mississauga. Therefore, they are stealing fares in Metropolitan Toronto and that means taking money out of our pockets. It is hard enough to make a living as it is without having to put up with bandits from other municipalities.

Mr. Ron Cowan has given you a lot of statistics on other towns and municipalities that are in favour with him about open borders. Can you see a taxicab coming down from, say, Peterborough to the airport? Just how long would that same driver have to wait at the airport before getting a trip back to Peterborough? Forever. Yet Mississauga would like to take a trip to Peterborough and bring a fare back to the airport. One-sided, wouldn't you say?

Mr. Cowan was here fighting for his taxicab industry. That is fine with me and with our association. But let them keep it in Mississauga where they are licensed. We know they have overissued and their drivers are having a hard time making money in Mississauga. So let them recall some of their overissued plates. Then their drivers can make a living in Mississauga and not have to become bandits and come to Toronto to steal our fares.

5:30 p.m.

The handwriting is on the wall, Mr. Rotenberg. Mr. Wells did not keep his promise; Mr. Bennett has so far not kept his promise. I do not see why we in the taxi industry have to come to these meetings and beg for what is rightfully ours from the beginning. Mr. Rotenberg, I sincerely hope you can read the writing on the wall before something drastic happens.

In conclusion, I cannot see anywhere where Mississauga is donating any tax dollars to Metropolitan Toronto. Therefore, why should we allow their taxis to take money out of Metropolitan Toronto?

Mr. Brandt: Your terminology is unknown to me in a couple of cases. What are a "poor door" and a "good door"? What do those mean?

Mr. Skye: The first door as you enter the airport at the arrivals door is where you get local runs, which would be going around Mississauga, going to the airport strip. You might go down as far as Dixon Road, whereas you would not be going into downtown Metro. You would be staying in the core of the airport itself.

The limousines would be down farther, at the second, third and fourth doors, where all the businessmen would be going downtown. They would be coming through the second, third and fourth doors, and they would be taking all the fares downtown, whereas the taxicabs would be staying at the first door and just taking the local runs. That happened more than once. That is why fights were breaking out so often.

Mr. Rotenberg: That was the previous situation. That is not what is there now. That was back four or five years ago.

Mr. Skye: That is when the Toronto International fights first came up, before that. I know I was involved in one of the fights myself; so I speak from firsthand knowledge.

Mr. Brandt: Did you win?

Mr. Skye: Yes, I did.

Mr. Brandt: Good. The other question I had was in regard to the use of the word "bandit." Is that a term used by the taxi licensees in Toronto in relation to guys from Mississauga who are stealing fares? Are they considered to be "bandits"?

Mr. Skye: Yes, sir. There is no other word you can call them, because they are bandits--

Mr. Brandt: Oh, you can call them a lot of things.

Mr. Skye: Well, being polite, it is a very good word to use for them. They are bandits stealing in Metropolitan Toronto, the same as Robin Hood did for other reasons. It should be changed. I cannot see why we should be losing all the time.

Mr. MacQuarrie: What about doing what Mississauga said and forgetting about the--

Mr. Skye: The borderline?

Mr. MacQuarrie: The border.

Mr. Skye: I happened to overhear that in the back of the room. Do you realize that Metropolitan Toronto was talking a little while ago about issuing more plates for Metropolitan Toronto? If they open the borderline, they would not have to issue any more plates. You would have 330 cabs from Mississauga in Metropolitan Toronto making a living. They would not stay out at the airport.

I do not know whether you gentlemen have been to our airport, but there is a holding bay there, and you can see 50, 100, 200 cabs in the holding area.

Mr. MacQuarrie: I heard the chairman of the Metropolitan Licensing Commission say that two drivers and one cab were--

Mr. Skye: That was a limousine; that was not a taxicab. I am sorry to contradict you, but it was the limousines he was making the comment on.

Mr. MacQuarrie: Well, he was talking about transfer of licence, the brokerage fee and the rest of it. I assumed it was a taxi.

Mr. Skye: That was a limousine. But if they opened the borders up, you would have 330 Mississauga taxicabs in Metropolitan Toronto making a living down here, because there is no business. That is why their complaint is here now: there is not that much business in Mississauga for the drivers to make a lucrative living. They do not have the number of people there for the number of taxi plates they have issued; so the drivers are sneaking into Toronto and trying to make a living here.

Mr. MacQuarrie: But airports, stations and bus terminals are usually good taxi pickup spots. The airport happens to be in Mississauga.

Mr. Skye: And Metropolitan Toronto. The southeast corner of the airport is in Metropolitan Toronto.

Mr. Rotenberg: The terminals are in Mississauga.

Mr. Skye: The terminals are in Mississauga, but it is all crown land. Let me point that out.

Mr. MacQuarrie: Yes. But the crown owns an awful lot of land in a lot of municipalities. It so happens that the terminal building here is in Mississauga.

Mr. Breaugh: I think we should correct that. Toronto International Airport is not part of the grounds that you could properly call Mississauga. It is federal territory.

Mr. MacQuarrie: Oh? How many grants in lieu of tax do they pay to Mississauga?

Mr. Rotenberg: For municipal purposes and for the purposes of everything we deal with it is within the boundaries of Mississauga.

Mr. Breaugh: It is within the boundaries, but it is not part of.

Mr. MacQuarrie: Oh, it is--very much so. All criminal matters at the airport are investigated by--

Mr. Chairman: Are there any other matters? Thank you, Mr. Skye. I think Mr. Rotenberg wishes to give a 60-second wrapup before October.

Mr. Rotenberg: Just two points. One, as indicated, we will be taking all these things back. We will try, as soon as possible, to give to members a summary of the points made in the briefs, and by October we hope to be prepared for some government regulations.

From what I can see, there are three major philosophical problems in the many other things we were dealing with. One is the taxi issue between the airport, Mississauga and Metropolitan Toronto, and there is the adult entertainment issue and the video game issue.

It would be helpful to me and to the ministry if members wish to--and I say only if members wish to, and Mr. Breaugh has given quite a bit of opinion here today--if they could indicate on an informal and noncommittal basis how they feel about these three issues, because they are difficult ones. It would be helpful to me and to our staff in trying to formulate some policy and recommendations to our minister and wherever else before we come back here.

If members wish to comment to me on those three issues, as I say, it would be helpful. If they do not wish to, I quite understand.

Mr. MacQuarrie: It would be helpful, I think, if the minister could get an opinion from the Department of Transport as to why the airport plates were issued and the reasons for continuing the practice, or if they could see any improvements to the practice. These people, after all, operate airports from coast to coast and this problem of taxis is not necessarily unique to Toronto.

Mr. Chairman: Excuse me. I can add one thing. The clerk's office will be giving us a revised agenda and a revised total package for each member of the committee of all exhibits. So if you did not have all 44 of them or whatever, they will be in a package.

Mr. Elston: I just have a couple of comments with respect to what we are going to be doing in October. When some

groups came before us--for instance, the Canadian Manufacturers' Association--there were commitments made to review the definition sections and things like that. I think those definition sections, as revised, ought to be made available to us fairly early, because the thrust of the bill, of course, is governed by that section 1. I think that will change significantly the bill itself, the very nature of it.

I think that should be made available to the committee fairly early, and the comments that are directed to the ministry as you requested them to be made between now and October. I think they ought to be circulated among the members of the committee so that when we deal with any proposed amendments, or whether we wish to propose amendments, we will have a feeling of the extra input that has been obtained.

Mr. Chairman: What you are saying is there is no sense in you making representations if the parliamentary assistant and the government have already decided on an amendment.

Mr. Elston: That is right. The third thing is that if the draft becomes significantly different from the thrust of this bill in some areas, it might be worth our while to consider whether we want some of the particular groups which are very much affected by the changes to be specifically notified to make their representations to the committee again.

Mr. Chairman: Would we not wait until we saw the amendments and the committee could decide who and if we wanted to hear from any groups?

Mr. Elston: That is right. I think it is significant though that we keep our options open so that we are not closing off the possibility at least of this committee hearing from somebody else again with respect to particular drafting changes that are made.

Mr. Epp: That was part of my question. I was wondering whether there was any expectation or any requests by groups which we could prepare for.

Mr. Chairman: There were some, but they were not major groups. They were more like people like Mr. Skye who saw something going on that he was not entirely in favour of. There was some point he wanted to put across, but most of them could not get their act together, as he could, to be here.

I would not say there is anything of a major nature. The taxi thing perhaps is the one with the tag ends and the disagreements about certain figures of licences and so on.

Might I point out that the committee has been vested by the House to meet for these two weeks to hear the public. That is all we can do until the House reconvenes. Once the House is back in, then it is at the committee's discretion to order its own business. We can, as a committee, if we wish, then ask whomever we wish to come back in front of us.

5:40 p.m.

Mr. Mitchell: Mr. Chairman, I think that's a decision we will have to make at the time. If there are major changes to the bill, or even changes that we feel, because of the nature of the change, we have to seek some other advice on, then so be it.

Mr. Chairman: You do agree with Mr. Rotenberg's overall summation of taxis, video games and adult entertainment as the three main areas of dispute or thrust, or whatever.

Mr. Elston: Subject to what the definitional changes are going to be for the bill.

Mr. Rotenberg: There are other areas of dispute. Those are the ones that are causing us the most problems. I don't say they are the only areas of dispute. They are the ones that--

Mr. Chairman: Those are the major, contentious things to address.

Mr. Epp: In addition to appeals. The appeal procedure is one we will have to look at very closely.

Mr. Rotenberg: Those are the ones I feel it would be helpful to get some feed-in on between now and when we come to a decision. On the appeals, I have a pretty good sense of what the committee is after, whereas on these I do not have a real sense of how the committee feels.

Mr. Elston: With respect, we don't have a feeling exactly for where you are headed on the definitional points yet. That is why I want to take a look at what you are going to do with that.

Mr. Rotenberg: The definitions would not affect adult entertainment, video games or taxis.

Mr. Elston: Probably not, but what I am saying is the whole scope of the licensing bill is going to be governed by your changes.

Mr. Rotenberg: If we make them. The other thing I would point out--

Mr. Elston: I thought you said you were going to be making them.

Mr. Rotenberg: I said we are going to be looking at it. I am not committed to changing it. I am committed to--

Mr. Elston: Then I really do misunderstand.

Mr. Breagh: Before you go off this one, I think Mr. Rotenberg has attempted to identify the three areas that are causing him a problem. I want to point out that, as we went through the hearings, there were a number of places where the parliamentary assistant agreed to look at the drafting of the

legislation, redefining the definitions that are there, where the committee was able to identify some problem areas, by and large related to those three topics, although they are certainly not exclusive.

I am prepared to say I am quite happy with what he had to say, except that I took nods and winks into account in thinking there will be several substantive changes in the way the bill is presented to us; there will be several drafting changes in the way the wording is done. If that is true, then he has narrowed it down to the three most contentious issues. But there is also a whole backlog in there of problems that were identified, and I would anticipate that, when we see the bill as it is presented in the fall session, the alterations will reflect the concerns that were put in front of the committee.

Mr. Rotenberg: I wasn't saying there were not a lot of other things too. Those are the ones that presented a more major philosophical problem than some of the other issues before us.

Another thing, which is at the discretion of the committee, is that the general government committee when it was hearing the Planning Act, which had a very similar type of process, decided it would not hear depositions when it got into clause-by-clause. It would receive written submissions, but not hear depositions as such, because the members felt that if they did it all over again, they would be into an almost never-ending process. That is a model that--

Mr. Breaugh: I think that is the problem you are faced with, but until we see the draft amendments or the proposed changes, the committee is not in much of a position to decide. If this thing is rewritten substantially, I think it is reasonable to say, "Okay, we want to set aside two or three days in the fall and have another little set of public hearings."

Mr. Chairman: I do not find those two things incompatible. I would say, once we are into the clause-by-clause, then we are through hearing from the public. We are among ourselves. It's disruptive to have too much assistance. On the other hand, you are talking about before the clause-by-clause.

Mr. Breaugh: It would be my recommendation that we assess the bill, in whatever form it comes in the fall, and make our decision then. I would not be a proponent of saying that you mix the public hearing part with the clause-by-clause. It seems to me that is counterproductive.

Mr. Chairman: I don't think there is any disagreement on that. Let's see how well Mr. Rotenberg and his people do over the summer.

Thank you very much. Until October 12, I guess the standing committee on administration of justice is adjourned.

The committee adjourned at 5:45 p.m.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE
ORGANIZATION

WEDNESDAY, OCTOBER 13, 1982



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
VICE-CHAIRMAN: MacQuarrie, R. W. (Carleton East PC)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Eves, E. L. (Parry Sound PC)
McLean, A. K. (Simcoe East PC)
Mitchell, R. C. (Carleton PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)

Substitutions:

Andrewes, P. W. (Lincoln PC) for Mr. Eves
Conway, S. G. (Renfrew North L) for Mr. Breithaupt
Gillies, P. A. (Brantford PC) for Mr. MacQuarrie
Laughren, F. (Nickel Belt NDP) for Mr. Breaugh
Piché, R. L. (Cochrane North PC) for Mr. Stevenson
Spensieri, M. A. (Yorkview L) for Mr. Epp

Also taking part:

Van Horne, R. G. (London North L)

Clerk: Arnott, D.

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Wednesday, October 13, 1982

The committee met at 10:11 a.m. in room 151.

CONSIDERATION OF SCHEDULE OF BUSINESS

Mr. Chairman: I call the meeting to order.

We have four motions by Mr. Conway. Will members please put those on their agenda, then we will have everything to consider on one sheet? Members should have an October-November calendar placed there by the clerk, and a copy of Mr. Breithaupt's memo to myself dated October 5, 1982, where he is suggesting a certain schedule, a certain order, as is Mr. Breithaupt's habit with this committee. Of course, he did that before the rumours got as heavy as to the possibilities of Bill 179 coming before this committee.

If I can reiterate, our authority is to meet only on Wednesdays because we cannot sit while the restraint bill is in front of the Legislature. We really have two choices. We can deal with Bill 179 before next Wednesday if the House so instructs us and puts it to us--with that as an indefinite situation at this point--or the second alternative is that next Wednesday we can go on to those things that we know are vested with us.

At this point, we are not vested with any authority to meet before next Wednesday. I would suggest, from various discussions around, that we tentatively choose to meet next Wednesday on those things we know for sure are in front of us and the witnesses coming in front of us should remain tentative in case the restraint bill does blossom.

Can I review the agenda? I asked the clerk to put Bill 179 on the top. As he has noted, it is not yet referred, because it has not officially been referred to us, and perhaps might never be.

As to Bill 11, the municipal licensing bill, there are two bodies which have expressed a strong wish to appear before us. One is the mayor of Mississauga, and the other I shall call the airport limousine organization. I think you got a copy of a letter from Mayor McCallion to myself, and of my reply to her. I promised I would bring it up today.

As to Bill Pr6, city of Windsor, yesterday we received a letter from Windsor requesting us to delete sections 2 and 3 from it, and to go ahead and pass section 1 as amended and to report it to the Legislature.

If you recall, there are three different parts. I think that number 1 has regard to boarding houses; number 2 concerned arcades, and number 3 the police-delegating powers of the municipality.

Section 1 was passed with amendments; sections 2 and 3 ran

into heavy water. They have asked for sections 2 and 3 to be deleted, and that we go ahead with section 1. That is something we could do for them, keeping in mind that we may be required to have five days' notice on a private bill. That is something that could be considered next Wednesday.

Consideration of the city of North York bill, Pr10, has just adjourned sine die; it is still hanging. On Bill Pr13, the city of Toronto demolition bill, there are 13 groups that still wish to appear before us and make representations on that. Bill Pr33, concerned with the city of Kitchener, was riding on the coat-tails of the city of Windsor bill. Now that Windsor has given us instructions as to what it wishes us to do, perhaps Kitchener will amend its bill, because its wording was almost identical with that of the Windsor bill.

As you know, we have two estimates, the Ministry of Consumer and Commercial Relations and Ministry of the Attorney General--

Mr. Mitchell: May I interject at that point, Mr. Chairman? My understanding is that the Ministry of Consumer and Commercial Relations estimates may well be transferred to another committee. There has been some discussion among the House leaders and those estimates will likely not wind up with this committee, which would then, in order of priority, put the estimates of the Ministry of the Attorney General in the lead.

Mr. Chairman: It is my understanding that is conditional upon the restraint bill reaching here.

Mr. Mitchell: Yes. Notwithstanding that, I recognize that the restraint bill would take precedence. I noticed the Liberal member from the Renfrew area was nodding his head when I said that.

Mr. Conway: I am aware, from my conversations with my colleague from Kitchener and other members of the committee that discussions have, in fact, been under way to consider that as a possibility in the light of the situation that Bill 179 would come to the justice committee.

Mr. Chairman: Right. Then we have the annual report of the Attorney General, referred here by 21 members of the New Democratic Party. Members will also notice four tours, including to Scarborough and Hamilton, under the Ministry of the Attorney General. Then we have the four motions tabled by Mr. Conway this morning just before the committee sat. Incidentally, I might ask Mr. Conway in what order are those to be considered?

Mr. Conway: If I could speak to that in an introductory kind of way, it would help to clarify.

Mr. Chairman: Before we carry on, may I give my interpretation? I can certainly be overruled, but it is my interpretation that we are here today to order our schedule only.

Mr. Conway: Thank you. I appreciate the opportunity to speak to the four motions which I have tabled. I hope all members

have those before them now. I now refer to my first motion.

Mr. Chairman: Mr. Conway moves that pursuant to the petition tabled in the Legislature on Tuesday, September 21, 1982, requesting the referral to the standing committee on administration of justice of the annual report of the Ministry of the Attorney General for the fiscal year ending March 31, 1981, that the same annual report be brought before this committee for consideration immediately following the disposition of Bill 179 by this committee, so that this committee may conduct an inquiry into the appointment of Mr. Morley Rosenberg to the Ontario Municipal Board.

Mr. Conway: That is the principal motion. The others, as can be seen, are subsidiary motions to that. They are dealing with the requirement for the involvement of five specific witnesses for that hearing, which my colleagues and I very much want to take place at that time.

I was just thinking that, almost by a process of elimination, the assistant government whip has indicated, as is my understanding, that CCR estimates will not come here. It is also my understanding that discussions are reasonably well advanced on the conclusion of the second reading debate on Bill 179.

So if one is to assume that there is a possibility that this committee will get Bill 179 some time within the next 10 days and that we will not get Consumer and Commercial Relations estimates, that would mean that the G reference, the reference that was spoken of in my first motion, could be accommodated as the next order of business.

10:20 a.m.

We wish to accept Bill 179, the anti-inflation legislation, when it gets here but, quite frankly, our concern is that due to the fact that the appointment of Mr. Morley Rosenberg to the Ontario Municipal Board will take effect on January 3, 1983, we have an obligation, in this Legislature generally and specifically in this committee, which is constituted to inquire into the administration of justice, to investigate all of the circumstances surrounding that particular appointment.

My colleagues and I, along with members of the New Democratic Party who, by petition, have directed this matter to the standing committee on administration of justice, feel this is a matter of urgent and pressing necessity on a number of accounts.

First and foremost is the propriety of appointing a man who by his own admission has dissembled, a man who has not told the truth about the leadership of this provincial administration, a man who seeks to sit on the quasi-judicial Ontario Municipal Board, a man who is, unfortunately, a self-confessed liar.

Mr. Chairman: Mr. Conway, we are here to schedule and not get into the merits of any argument. I suspect you might be getting carried away on the merits of it.

Mr. Conway: We just want to indicate, in asking the committee to consider as a matter of urgent and pressing necessity, petition item G that is elaborated in the four motions I presented to you today. We think this is the committee where it ought to be discussed and deliberated. In view of the fact that the appointment has been made and is effective in about three months' time, we think the air must be cleared and it should be cleared here.

We want those five witnesses: Mr. Morley Rosenberg, QC; Mr. William Hoskinson, QC; Mr. Edwin Goodwin, QC; Honourable Roy McMurtry, QC, the Attorney General; and Honourable William Davis, QC, the Premier, to attend at this committee to speak to what we think is a matter of serious concern as it relates to the administration of justice.

Once we get into the discussion, we are going to have to talk about the merits at some point. I can then perhaps speak at greater length to getting this matter, as my first motion indicates, as the first item of business following upon the disposition of Bill 179.

Mr. Chairman: Are you speaking to that one only or are you speaking to all four?

Mr. Conway: The motions are clearly a package. The first one is the covering motion and the second, third and fourth motions are subsidiary to the main motion, simply calling upon presentation by certain witnesses and the production of various papers and things.

Mr. Chairman: To clarify, are you placing a motion at this time or are you having only a general discussion as to scheduling?

Mr. Conway: We want the motion to be formally considered here for purposes of scheduling.

Mr. Chairman: Have you placed the motion then?

Mr. Conway: Yes, the motions are formally placed.

Mr. Chairman: The four from that package?

Mr. Conway: Yes, the four I considered before the committee. If there can be an agreement--

Mr. Chairman: No, I suggest we would have to take the four motions one by one. I know there is a certain relevance to placing them together but I do not see how you can vote four motions at the same time. I think we better take your first motion by itself.

Mr. Conway: I would like the opportunity, at your direction, Mr. Chairman, to speak at some point specifically to that motion if that is going to be the ruling.

Mr. Chairman: Fine. It is then recorded that you have

placed that motion in the context of a general overall scheduling discussion. Mr. Swart.

Mr. Swart: Mr. Chairman, as to the priorities, it is our view, and I think perhaps it is unanimous in this committee, that the highest priority should be given to Bill 179. It is a matter of urgent public importance and a matter which is receiving the attention of the Legislature at this time. I think we would all agree that if it is referred to this committee, as it appears it will be, and if it is referred shortly we should deal with that matter first.

I also want to say, though, that with regard to the Rosenberg matter we too feel that should have high priority immediately after we finish our deliberations on Bill 179. It is a matter of some significance, I suggest. It deals with the whole principles of democracy, the democratic process in our society; whether it has been distorted and whether it has been seriously subverted; and whether we are going to take measures in this Legislature to ensure that this kind of thing does not happen again and to reprimand those who were a party to it happening this time.

We, too, feel that witnesses should be brought before this committee and we should deal at some length with those matters: the involvement of the cabinet ministers and the Premier or other Conservative Party members with Mr. Rosenberg and his candidacy for the Conservative Party. It certainly would appear that he has perjured himself.

Mr. Chairman: Mr. Swart, same thing again. You are getting into the merits, you are getting into argument. May we restrict ourselves at the beginning. We will deal with the motion per se, and both Mr. Conway and you will get the opportunity to speak again. Will you please address yourself to the order that we are going to deal with. If you're saying that you wish--

Mr. Swart: I am.

Mr. Chairman: Yes, but again, you were getting carried away into other areas.

Mr. Swart: I suggest I was not getting carried away in this matter. I think if we are going to set up the priorities we have to make some arguments with regard to the need for putting one item ahead of another item. In the case of the Rosenberg issue, I think it is of substantial importance in the whole democratic process and that it should be high on our list.

Mr. Chairman: Yes, now when you've said that--

Mr. Swart: I think it's important to put that argument forward.

Mr. Chairman: Mr. Swart, when you have said that then you've said sufficient on the scheduling topic, that it is very high on your list and you would like it to come up following Bill 179.

Mr. Swart: But I think it is important to justify my comments. I think it is important that we put forward the arguments as to why it should be high on the list. I do not intend to pursue it further, except to say that the democratic process may have been subverted. According to the first letter from Mr. Rosenberg, the democratic process was subverted. Therefore, I want to see the Rosenberg issue brought forward immediately after we deal with Bill 179, if we do deal with Bill 179. If this committee does not deal with Bill 179, then I think the Rosenberg issue should be the first issue before us.

It was the New Democratic Party that felt strongly enough about this that we tabled the petition in the House to have that matter referred to this committee and we intend to pursue it to the full here.

Mr. Chairman: What about the other matters? You haven't addressed yourself to Bill 11 or the Windsor bill or any of these others. Where do you wish those to take place?

Mr. Swart: Mr. Chairman, it is my view that those bills to which we have given substantial attention up to this point, including Bill 11 and the Windsor bill--and I think I would put that ahead of Bill 11 because we can probably deal with it pretty quickly--should be put immediately after the other two items.

Mr. Mitchell: Mr. Chairman, in all likelihood, and there is no question in my mind, at least, the restraint bill is going to be referred to this committee. Obviously, like all members, we are not quite sure of the timing on that.

10:30 a.m.

You have clearly pointed out that we have authority at this time to sit only on Wednesdays. If that continues to be the case, I suggest that next Wednesday, based on your report on the city of Windsor bill, that is something we can deal with and get referred back to the Legislature, since it is only section 1 we have to deal with. There is no question that, if and when Bill 179 is referred, it will, of course, take priority. I would not want to try to affix a time frame in dealing with that bill.

With regard to the issue raised by the member for the Renfrew area--I cannot remember, Sean, whether it is north or south--

Mr. Conway: North will do just fine.

Mr. Mitchell: --it is my understanding that the Attorney General has expressed a willingness to discuss the matter when we deal with his estimates. I don't disagree with the member that this is the committee, if the item is to be addressed, where it should be addressed, but during the estimates of the various ministries we have always let the discussion be relatively wide-ranging, and it is my humble opinion that we can quite well deal with the issue that has been referred by petition to this committee during the Attorney General's estimates. So I would say

that if Bill 179 is not referred, we should go immediately into the Attorney General's estimates.

Mr. Chairman: I am sorry, Mr. Mitchell, I was distracted for one moment. Did you also refer to the city of Windsor bill?

Mr. Mitchell: Yes, on Wednesday, until such time as our sitting schedule is established. Since we can sit only on Wednesdays, and in the light of your comment about the city of Windsor bill, we could probably deal with that next Wednesday and get it out of the way.

Mr. Chairman: What about Mississauga?

Mr. Mitchell: You have indicated, Mr. Chairman, that there are some 13--

Mr. Chairman: No.

Mr. Mitchell: I am sorry, two additional groups want to see us.

Mr. Chairman: At least two and possibly as many as four.

Mr. Mitchell: I don't think we could hear from them all on a Wednesday afternoon and have the necessary discussion that would flow from that. I think, frankly, the other bills will have to follow Bill 179 and the Attorney General's estimates, other than dealing with the city of Windsor bill to get that referred back.

Mr. Conway: My intention is to speak at some length to my motion.

Mr. Chairman: May we finish our scheduling comments before you get into your argument?

Mr. Laughren: Mr. Chairman, I want to speak in support of the priorities that have been talked about already. I don't think there is anybody on the committee who does not understand the seriousness of the Rosenberg question. At the appropriate time, I hope the member from Renfrew will accept the friendly amendment to have added to the name of Mr. Morley Rosenberg the names of Vern Singer and Phil Givens, because I believe that is when that nasty process began of undermining the democratic process in this province.

I will not move an amendment at this time, but I do think that as we get into debate on the motion there should be an amendment to this covering motion to include Mr. Singer, who was appointed to the Ontario Municipal Board, and Mr. Givens, who was appointed chairman of the Metropolitan Board of Police Commissioners.

I underline the importance of the order, to let Bill 179 come first, then the Morley Rosenberg, Vern Singer and Phil Givens motion. I hope the member from Renfrew will see that as a friendly amendment. We could then add to the list of witnesses those other

two persons who, I think, could help the committee investigate this whole question of appointments and rewards.

I think that is terribly important. It is not simply a case of whether they happen to be Conservative candidates or whether they happen to be former Liberal candidates. I don't think it is simply rhetoric to say that the democratic process is being abused when these kinds of practices occur. I listened very carefully to Mr. Conway's eloquent plea and I am sure he would agree that is, indeed, given the principle at stake here, a friendly amendment.

Mr. Elston: Mr. Chairman, it is obvious to us all that Bill 179 must come first, but in terms of our trying to order our business I do think we ought to deal with the motion of Mr. Conway in a substantive way. Until we know whether the committee is going to look upon the motion favourably, we are left in the lurch in trying to order the other business. I have no hesitation about bringing the Windsor bill back next Wednesday, for instance, if the committee should decide at this point it does not wish to deal with the Morley Rosenberg question.

I think, however, in terms of our priorities, we might very well, if we are going to deal with the Rosenberg question here, deal with it straight away so that other acceptable candidates for the position Mr. Rosenberg might be assuming could be checked into before the January 3 date. I feel that right now what we are doing is beating around the real issue, which is whether this committee will entertain the ordering of this particular portion of our business, because it really is the justice committee's business to check into this.

With due respect, and I probably will speak a little longer later on to Mr. Mitchell's point about seeking the Attorney General's estimates as a proper forum. I don't think we have ever been able to request witnesses from anywhere other than within the ministry, and it is quite clear to me that the witnesses you would have from within the ministry are not competent to comment on many of the pieces of information that have become public through the media and otherwise in the Rosenberg issue. I do think we ought to get to the merits of the particular motion so that we can know for sure we have a definite number of items to consider in our order of business.

Mr. Chairman: Does anyone else wish to speak to the scheduling before we get into Mr. Conway's profound thoughts and argument?

Mr. McLean: I would like to hear what Mr. Conway has to say and then I will determine in my own mind whether it should be revised or not.

Mr. Chairman: Fine. I can summarize then. It appears that the opposition ranks wish the Rosenberg matter to follow the restraint matter, and the only person who has suggested otherwise is Mr. Mitchell, who wishes to come on with the private bills in place and then the Attorney General's estimates following the restraint bill.

Mr. McLean: He could probably tell us in five or 10 minutes.

Mr. Conway: I think the member for Simcoe East raises a good point. I don't intend to go on at great length on the subject. It is my understanding, and perhaps the member for Carleton (Mr. Mitchell) has this understanding as well, that when this committee meets again next week it will have Bill 179 before it. That is my appreciation of the intra-party dialogue that was ongoing as I came here this morning at 10 o'clock. I am assuming that next Wednesday the committee will be charged with dealing with Bill 179. I want to thank my friend from Nickel Belt for his always interesting intervention in the parliamentary debate.

I brought with me this morning and placed in the possession of the clerk a little compendium, largely of press reports, not all of which are from the great metropolitan community in which we now find ourselves. I think it will allow members of the committee and others who have an interest in this matter to acquaint themselves with the range of debate concerning the appointment of Mr. Morley Rosenberg, QC, mayor of the great city of Kitchener, to the Ontario Municipal Board, effective January 3, 1983. The clerk is now distributing those.

10:40 a.m.

In my comments I am going to try to deal directly with the main points, as my colleagues and I see them. There is in the compendium a copy of the letter written on June 18, 1982, on the official stationery of the mayor's office in Kitchener. I took some interest in noting their motto, "Ex industria prosperitas," which translates to, "Out of industry comes prosperity." It is hard to imagine anyone who could be more involved with that hope than the mayor of Kitchener, based on the letter which follows that heading. It has been read by members before.

What makes this situation involving Mr. Rosenberg different from other cases that have already been touched upon here today is the fact that there is on the public record a letter written by a man learned in the ways of politics, government and as a Queen's Counsel, learned in the law.

I know that you, Mr. Chairman, as well as my colleagues the member for Huron-Bruce (Mr. Elston) and the member for Yorkview (Mr. Spensieri), as three members of the Law Society of Upper Canada have a particular interest in this matter and I am going to touch upon that momentarily.

The letter from Mayor Rosenberg dated June 18, 1982, published in the Toronto Star, is unfortunately and however unhappily for Mr. Rosenberg, very straightforward. He says:

"As you will recall, Mr. Premier, I was encouraged in the fall of 1980 to join the Conservative Party and to be the Conservative candidate in the March 1981 election.

"I did so on the basis that if I lost the election I would be assured of a provincial judgeship, reasonably after the

election and certainly before the end of my term as mayor.

"This assurance was given to me by the local Conservative office, in particular Mr. Hoskinson, and later confirmed at a dinner meeting in Toronto with Mr. Eddie Goodman. It was further confirmed, Mr. Premier, at the dinner meeting you had when you visited Kitchener."

I cannot resist reading the penultimate paragraph:

"Sir, the slogan of the provincial campaign promoted during the 1981 election was, 'Keep the promise.' I am appealing to you, Mr. Premier, 'to keep the promise' with regard to my appointment to the bench.

"My very best personal regards and keep up the good work in Toronto.

"Sincerely yours, Morley A. Rosenberg."

I want to put this in context. This is not some neophyte. With all due respect to my friend the member for Nickel Belt (Mr. Laughren), this is a very active, prominent, long-term political activist, a man who in 1963 ran as a New Democrat against the then Leader of the Opposition, Mr. John Wintermeyer. In 1967, he went so far as to have a victory parade down King Street in the great city of Kitchener having, on early returns, been unofficially declared the New Democratic member-elect for Kitchener. In 1975, he ran as a New Democrat against my colleague the member for Kitchener-Wilmot (Mr. Sweeney). In 1965, he ran federally as a New Democrat in Kitchener and again in 1968.

This is a man who has served his municipality for nine years. He has a long involvement municipally. He ran five times. He is a member of the bar and somebody who clearly by virtue of his past experience and as a member of the law society and as Morley Rosenberg QC is presumably somebody who can be taken at his word.

He wrote a very careful letter which within days he disavowed entirely. We are left with a very difficult situation. Either we have to believe what he set down very carefully in print on June 18--and I might add, I draw members to the very first page of the compendium which quotes Mr. Rosenberg and others on August 11. It says, "Three local sources who asked not to be identified said Tuesday they have heard the rumour..." of the appointment. It goes on, "In recent months the mayor has privately told some associates in municipal and legal circles that he was expecting to be named a judge at either the federal or provincial level."

On August 13, the Kitchener-Waterloo Record said: "A local provincial Tory said Thursday that Rosenberg has made it known among Conservatives that the OMB position is the one he wants. 'The mayor feels he was promised some type of government appointment when he ran for the Conservatives in the provincial election of March 1981,' the source said."

So not only do we have what he says in his letter of June

18, but we have press statements that precede that publication by a month which are quoting the mayor as saying that a deal was made and he was waiting in anxious expectation for his reward.

At any rate, he holds a press conference to completely disavow the thrust of his June 18 letter. We are then left with this unhappy situation of a man who clearly, publicly and completely contradicts himself. He says he was confused and frustrated, this long-term member of the political community and this distinguished member of the Law Society of Upper Canada, Mr. Morley A. Rosenberg, QC.

I ask you, what are we to make of this? Clearly and unfortunately, the man has not told the truth. I might offend people when I suggest that I personally believe every single syllable in Mr. Rosenberg's June 18, 1982, letter. I believe it chapter and verse because I know the degree to which the Conservative dynasty will go in this province when it is after its majority mandate. As someone once wrote, perfidious Albion has no permanent friends nor permanent enemies, just permanent interests. The permanent interest of the Conservative Party in Ontario is to maintain itself in permanent majority government at Queen's Park.

As a private member in the opposition, I want to simply say that I believe that letter in all respects. Others will obviously want to disagree with me. But the question that makes the Rosenberg case different, it seems to me, is that we have on the record the protestation of this particular applicant which in varying degrees clearly contradicts itself.

It seems to me that we have a couple of questions. Either the letter of June 18 is true, as I believe it is, or the denial made a few weeks ago in Kitchener by the mayor, which was absolute, is true. It is certainly the case that both cannot be true. So the question before us is, do we want to have a self-confessed liar appointed to a quasi-judicial board? I think in the administration of justice, we cannot have that.

To explore further the circumstances that surrounded this unhappy tale, it is our view that Mr. Rosenberg, who refused to answer any questions at his press conference in Kitchener some weeks ago, must be brought here to tell this committee, and through this committee the people of Ontario, exactly what happened. Similarly, since they are clearly implicated in the letter of June 18, we must have Mr. Hoskinson, the Attorney General and the Premier.

I want to mention to you, Mr. Chairman, another concern is the urgency of an appointment that takes effect in a couple of months. That is something I want to recommend to everyone's attention. I believe we have an obligation to clear the air on this subject before that appointment takes effect at that time. Quite frankly, we do not imagine that we would need an undue amount of time in this committee to deal with the issue at hand. We think we could serve notice to the involved parties that we would like them to attend to tell their story in full as to what happened and we could deliberate reasonably quickly on that subject.

There is that matter in the letter which makes it abundantly clear that according to Mr. Rosenberg, to quote that paragraph, "I did so"--meaning after a 20-year affiliation with the New Democratic Party in this province, he changed his colours in 1980-81 to run for the Conservatives provincially in Kitchener in March 1981--"on the basis that if I lost the election I would be assured of a provincial judgeship reasonably after the election and certainly before the end of my term as mayor."

10:50 a.m.

From time to time I take the Criminal Code home with me to read at my leisure. During the course of the Rosenberg matter I happened to be reading Martin's Annual Criminal Code, 1981, section 114, from page 105, which follows. I know you, sir, as a member in good standing of the Oxford bar will have a particular interest in this section.

Mr. Brandt: A QC. Do not forget that.

Mr. Conway: Indeed, a QC. I thank the former mayor of Sarnia who knows more perhaps about the individual than a lot of us, though as a former resident of Kitchener, I remember Mr. Rosenberg with some degree of personal interest.

Section 114 of the Criminal Code, under the heading, Influencing or Negotiating Appointments or Dealing in Offices, reads as follows:

"Every one who (a) receives, agrees to receive, gives or procures to be given, directly or indirectly, a reward, advantage or benefit of any kind as consideration for co-operation, assistance or exercise of influence to secure the appointment of any person to an office; (b) solicits, recommends or negotiates in any manner with respect to an appointment to or resignation from an office, in expectation of a direct or indirect reward, advantage or benefit; or (c) keeps without lawful authority, the proof of which lies upon him, a place for transacting or negotiating any business relating to (i) the filling of vacancies in offices, (ii) the sale of purchase of offices, or (iii) appointments to or resignations from offices, is guilty of an indictable offence and is liable to imprisonment for five years."

It seems to me as a member of this Legislature, who is not a member of any bar, that we have the added responsibility, in the interests of the administration of justice, to assure ourselves in this particular matter concerning Mr. Rosenberg's letter and his subsequent appointment that section 114 of the Criminal Code has not been violated in any way. It seems to me that there is a fairly strong prima facie case that there is a worry if not a violation.

I would want in the presence of the distinguished members of the bar, Mr. Morley Rosenberg, QC, Mr. Edwin Goodman, QC, the Attorney General, Mr. McMurtry, QC, the Premier (Mr. Davis) and Mr. William Hoskinson, QC, to say nothing of the chairman and others of this committee, to satisfy myself and the public at large that there is not a violation in that respect.

As well, I was reading the other day the Professional Conduct Handbook of the Law Society of Upper Canada. I will not bore you, Mr. Chairman, or the member for Simcoe East (Mr. McLean) with a long recitation. I want simply to note for the public record that in the law society's handbook for the professional conduct of its many members in Ontario there are two rules that I think we have to also consider in this respect.

"Rule 9, The Lawyer in Public Office: The lawyer who holds public office should, in the discharge of his official duties, adhere to standards of conduct as high as those which these rules require of a lawyer in the practice of law.

"Rule 12, The Lawyer and the Administration of Justice: The lawyer should encourage public respect for and try to improve the administration of justice."

It seems to me that both the Criminal Code and that professional conduct handbook require, as an absolute minimum, that this Legislature invite these five principals, members of the bar in this province, to speak to this serious matter of public concern to satisfy our interest that (a) the Criminal Code has not been broken and (b) the ethical standards of the Law Society of Upper Canada have been maintained.

The public out there is left with the situation where it certainly appears, not on the basis of rumour, of corridor gossip or of political speculation of what might be or what might have been, but to be a bald case as presented by the mayor of Kitchener, Mr. Morley Rosenberg, in that letter of June 18, 1982, where he sets out very carefully his interpretation of events. I do not believe that the members for Simcoe East (Mr. McLean), Cochrane North (Mr. Piché), Lincoln (Mr. Andrewes), Brantford (Mr. Gillies) and Carleton (Mr. Mitchell) can live as good citizens of this province with the idea that we have appointed a man who, however frustrated and however confused, lied his way to the quasi-judicial Ontario Municipal Board.

It seems to me that as a committee charged with the administration of justice we have a first-order obligation, all of us, to clear the air on this subject by drawing together the principals as witnesses in this room at an early opportunity; to afford them the opportunity to clear their names and reputations, which I think have been in some serious way compromised by this whole affair, and to satisfy the public that offices of this kind are not for sale in this province, that they have not been sold in this case, and if they have, as the indication certainly would have one believe, that Mr. Rosenberg, as I believe--and I do not want to be unduly harsh on the mayor of Kitchener--has clearly and publicly by his conduct disqualified himself from serving on any judicial or quasi-judicial board.

As a committee for the administration of justice, I would hope that in a gentlemanly and tripartisan way we could agree this morning that this is a matter of urgent and pressing necessity because the mayor's letter of June 18, 1982, makes it that; that we should get on with the business of clearing the air as soon as

possible and the only reasonable and practical way to do that is to accept my motions and to proceed to arrange for such time as can be afforded in this committee, taking into account the chair and the five witnesses I would like to have called.

Mr. Gillies: Mr. Chairman, I would like to say that I share some of Mr. Conway's concern. I think there are specific questions about this appointment that could well be answered, but I would suggest to Mr. Conway that, as my colleague has already said, these questions could with some dispatch be dealt with during the estimates of the Ministry of the Attorney General, which this committee could order before it immediately after the consideration of the restraint bill.

I have listened very carefully to Mr. Conway's arguments and I view them, let me say, with some scepticism. I would have to say that for a member of the Liberal Party to come up in such ire over a question of patronage is of some surprise to me. Normally, when I hear the subject of patronage raised to me by a member of the Liberal Party it is by way of providing instruction.

Mr. Conway: Mr. Chairman, on a point of privilege: I do not want to interrupt my friend from Brantford as he is most interesting to listen to, but I thought I made it very clear that my point was not at all concerned with patronage which I, as much as he, appreciate is part of the system. The issue I am most concerned about is the appointment of a self-confessed liar to a quasi-judicial board in this province. That is the issue I think the committee must seize immediately in the public interest.

Mr. Gillies: Okay. I accept that, Mr. Conway, but I think you have raised the larger issue of patronage. If I may pursue the argument I was making, I would indeed view this with somewhat greater degree of seriousness, I would view it with less scepticism, if it were not put forward by a member of the Liberal Party. I have just drawn up a list by virtue of my own recollection in recent history. If as a committee of this Legislature we want to consider this whole area, then I would suggest that we might also want to talk about Bryce Mackasey and his appointment to Air Canada. We might want to talk about Jack Horner.

11 a.m.

As my friend from the New Democratic Party mentioned, we might indeed want to talk to Mr. Vern Singer and Mr. Phil Givens. We might want to talk to Peter Stollery. I might even suggest that when Mr. Stollery came before the committee, we might even want to call the entire Senate of Canada.

When my colleague from Renfrew raises this issue as a matter of urgent and pressing public business, he suggests that something exceptional, something unprecedented has occurred. As we all know, looking through the annals of both the federal government and other administrations, this is something that is ongoing. I am not saying it is right. I am not saying it is proper, but I accept, as does my friend the member for Renfrew North, that it is part of the system.

I don't want to pillory the mayor of Kitchener for taking part in the system. If the committee wants to examine the system and condemn it, then I support that entirely. However, I am just looking through some of the supportive material that Mr. Conway has provided for us, and I see an article in the Kitchener-Waterloo Record in which members of Kitchener city council were surveyed on this matter. If I may quote from the article, "Every alderman surveyed agreed that Rosenberg deserved his appointment announced recently," that is, his appointment to the Ontario Municipal Board.

They go on in various quotes throughout the article to talk about his experience, to talk about his years of political activity, as has been pointed out, most of them not with the party with which I am affiliated. On its merits, I don't think there is cause for this committee to consider the qualifications of Mr. Rosenberg to accept the appointment. It seems to be accepted by his peers and his colleagues in Kitchener-Waterloo that the man is a suitable appointment for the Ontario Municipal Board. I don't see the necessity for this committee to make an issue of that.

Basically, that is the point I wanted to make. Mr. Conway raises an interesting point. There are specific questions about this appointment I think could well be answered. This committee has the opportunity in the very near future to have the Attorney General before it for a period of some considerable hours. I forget how many hours off the top of my head.

Interjection: Fifteen or some hours.

Mr. Gillies: There will be 15 or 20 hours of estimates during which any member of this committee would have the opportunity to review this matter and voice his concerns with the Attorney General. Beyond that, I would say merely this: If we are going to condemn Mr. Rosenberg for participating in the system, I do not support the resolutions put forward by my friend in the Liberal Party. If, on the broader plane, this committee sees part of its responsibility to the democratic system and to our system of government to examine this whole area--not to put a fine point on it and to condemn a man who has been touted by his peers as a very reasonable, proper and qualified appointment--

Mr. Laughren: Are you saying it is the whole system?

Mr. Gillies: If we're going to look at the whole area, then I would support it. If we are going to attempt to pillory a man who in a very controversial, yes, but widely accepted appointment, if we are going to try to condemn him for taking part in a system which my colleague has stated somewhat earlier is ongoing--

Mr. Conway: Public lying is not part of the system. That's the difference.

Mr. Gillies: Again, Mr. Conway, you said somewhat earlier that you considered Mr. Rosenberg may have perjured himself. You have called him a liar. That is a question that could

be brought forward during the estimates of the Attorney General and discussed with the minister responsible for these appointments. On the face of it, I think Mr. Rosenberg is being made the scapegoat for the system. I do not support the honourable member's resolutions.

Mr. Swart: I guess I would like to first determine our procedures here. Have these two speeches been to the resolution 1? Is that the resolution we have before us?

Mr. Chairman: That is correct.

Mr. Swart: It has been moved and we have before us resolution 1?

Mr. Chairman: Yes.

Mr. Swart: I just want to assure myself of that. Then I want to speak to that resolution. I have to say I am somewhat concerned with the comments of the member for Brantford in two or three respects. First, I have a concern that he accepts the political patronage process as something that--

Mr. Gillies: I am sorry, Mr. Swart, that is not at all what I said. I said if we were going to consider the area as a whole, then I would certainly support the committee's consideration of that.

Mr. Swart: Let me finish. I am somewhat concerned that he accepts political patronage as part of the whole political process and he says he recognizes that it is part of the whole political process. I do not think I am putting words into your mouth when I say that.

It seems to me that we do not and should not accept this as part of the political process. In fact, it is something that we as leaders in the democratic process should condemn. The reason we have not is that you cannot get your finger on it very often. Surely you must recognize that. You suspect it. But whether that person has been appointed to a job because of his abilities or because he was a member of the government prior to this time or because he was a candidate, you cannot determine that.

But now we have something before us in the form of a letter that we can. Surely, therefore, we should be investigating that matter. What we have before us is overwhelming prima facie evidence that here a person got a job because he was a Conservative candidate. As has been stated, either he lied in the letter or he lied in his denial. It is one or the other. Surely you must want to go in depth to find that out. Surely we do not want to somehow or other have a whitewash and not determine that situation, a man who is now in a very serious position within the provincial government, a position where he has very serious responsibilities.

We ought to find out whether that man has lied. We know he has lied, whether in the letter or whether he lied afterwards, and

surely if he did lie afterwards, he should be discharged from that position; or if what he said in the letter was the truth, then with respect to those who are responsible for giving that promise, first, it should be known and, second, they should be reprimanded by perhaps a variety of means, most of all by the public. We have to determine it.

I agree with you entirely that perhaps we should broaden it to determine whether we can now, because we have this evidence before us, find out there has been other political patronage as well, whether promises have been made. If people resigned from a seat in the Legislature and were going to get jobs, then that should be determined. I agree with you. We have already said we would like to broaden this, but let us not evade this key issue when we now have before us what appears to be evidence that the political patronage process has been used almost in its worst form.

I am surprised that the member for Brantford would suggest we should do this in estimates. Surely he must know there is no room for resolutions in estimates. We do not have witnesses before us in estimates. How would we get to the bottom of this issue if we tried to deal with it in estimates? The reason the NDP had it referred to this committee was so we could do a full investigation and call the witnesses before us as suggested in the resolution we have.

I look at this resolution and resolution 1 is a very simple, straightforward resolution we have before us. It simply says that we deal with this matter in this committee, that we conduct an inquiry, as was the intent of the petition before the Legislature, and we give it priority after Bill 179. I see nothing else in this except that. Surely, whether it is a calling of witnesses or anything else, we can determine that in the other resolutions. If we want to add some witnesses or anything else, we can determine that in the other resolutions, but we are establishing the priority that this is a serious matter in this resolution.

I want to say very frankly to my colleagues in the Conservative Party that if this inquiry does not proceed, and does not proceed as an open and full inquiry in depth into this situation, the Conservative government is going to be accused, and rightly so, of a coverup. I use that word advisedly. If the Conservative members here genuinely want to get to the bottom of the blatant political patronage that is charged here, then we are going to have a full and open investigation. We are quite prepared to broaden it, and I think perhaps it should be broadened. But let us not go the other route and delegate it to estimates or something of that nature so we cannot have a full inquiry.

Mr. Elston: Mr. Chairman, very briefly, I made some comments relevant to Mr. Mitchell's earlier suggestion, which was picked up by Mr. Gillies, that we deal with this matter in committee. I am pleased that the member for Welland-Thorold has also made some comments on that.

Some of us who have been on the standing committee of administration of justice for well over a year understand that the

time for estimates is preciously limited in dealing with matters that are before us in regard to the allocation of funds. Sometimes we do try to pick up on threads of issues, which have been buried under the weight of the majority government we have come to know over this past year or so, and it is the only opportunity we have of bringing those matters back into the public attention.

However, in this particular case, and in those other cases as well, there is very little latitude to move in terms of bringing the people who really count before us, the members of the justice committee, and hence very little opportunity for us to bring before the public those people and their testimony to us, which would be most relevant to the people out there who are affected by those issues. I can only mention a couple of issues. Maybe I should just mention one, Re-Mor, which is probably the best example I can think of and which we dealt with on several occasions.

Mr. Swart: They tried to hide that one in estimates, too, if you remember.

Mr. Elston: Yes. We followed the procedure that was set out by the member for Carleton, that is, we raised the matter of Re-Mor during estimates. It was buried from the point of view that we were unable to get to those people who knew the most about the whole situation.

We cannot convince the public, who are most affected by the public appearances of this OMB member-designate, that his role now will be of any benefit to them because the suspicion will always be there that someone has, or could, offer him something when he is carrying out his function on that quasi-judicial board.

I perused the Ontario Municipal Board Act and saw some of the guidelines that are set out for qualifications of a member. It is quite apparent, from the particular sections in that bill, that every effort is made to try to ensure that the members who are appointed to that board divest themselves of all possible conflicts. But here we have in front of the public a letter saying: "Yes, you were able to buy me off by offering me a promise to the bench. Now please come through with my appointment. Please keep the promise."

Even though the man has now come out and said publicly that he lied in that letter, the thoughts are still with us. What is this man is going to do when he gets into a very difficult situation where there are competing interests, or whatever? Is he going to become so frustrated and overburdened by the office, the long hours and the hardships of travel, when he is doing his circle just north of Moosonee or wherever he may be assigned to relieve the pressures of the public glare, that he will again begin imagining possible ways of alleviating his current difficulties? I cannot think of anything more appropriate than to use the public forum of the justice committee, which is charged with ensuring that the quality and administration of our justice system is not being subverted in some manner.

As was set out earlier, in this particular situation we have the clearest of indications of the type of violation that is so much despised. There is an example in the Criminal Code, section 114, which says that you can be imprisoned for five years if you procure or attempt to procure an office or if you try to accept the reward of an office for being involved in that process. Unlike some others, I do not recognize that as any indication that our society accepts the process of offering offices to individuals when it may be apparent to the public that a sacrificial candidate is required in a given riding. That is hardly playing the game. There are many individuals who have played the game to the hilt in terms of honesty and integrity and have worked hard and long without significant benefit in financial reward. They have served their community very well and done very well in the field of municipal politics. They have not changed their partisan colour or stripe because they saw a better reward somewhere down the road.

I feel we had best get to the bottom of this situation in this committee since the letter has come to the public's attention. I could well quote a colleague of ours who is also a member of the Conservative Party. Maybe it shows what is thought about the whole process when it goes afoul. I quote the Tory MPP, Morley Kells, from Humber. He says: "It stinks. It's the kind of thing that should never go on, not with appointments as senior as the bench or with any other senior government appointments for that matter." He is one Conservative who agrees that this sort of thing should not go on, and I suppose he may want to chat with the Premier so they can round out their differences of opinion on that matter.

The same article in which Mr. Kells was quoted gives a list of other people who received appointments, but there is nothing to indicate up front that they were co-opted from a former position with the suggestion that they might be rewarded for a change of heart or for taking a certain course of action, not like the situation here at all. Sally Barnes was a former press secretary to Mr. Davis. She served a long time, but there is no indication she wrote a begging letter saying, "Mr. Premier, I am very frustrated being your press secretary and I require something better to end my frustration in your service." John Adams is a former civil servant and was the Tory candidate in Scarborough West in the 1981 provincial election. There is no indication that he wrote a letter anything close to the type of letter Mr. Rosenberg wrote.

11:20 a.m.

In this particular situation, we do have that clear, now public evidence which does suggest there was a buying out. I do not see how anyone with any degree of perception of the reality of the operation of estimates could dare suggest that we can have a full and complete airing of the types of charges that were levelled through that letter and then later at the press conference where a short retraction and apology were provided. I think those people are labouring under a very great misconception of how this committee has been operated by the members that dominate it.

Mr. Mitchell: It strikes me, based on the statements the member for Renfrew North made, and I am paraphrasing of course, he believes the letter of June 18. In light of the comments made by the member for Welland-Thorold, I feel they have made up their minds at this point as to what is factual and what is not.

I suggest at the same time that all the information provided by the member for Renfrew North is all the information one really needs to make a decision, but if they wish to pursue the matter further they can do so in the estimates of the Attorney General. I do not feel that any calling of witnesses will change their minds at all when all of their statements are in the package that was provided to us.

To use the words of the member for Brantford, I feel it would wind up as a pillory session. It has been indicated at least to me that they will be able to ask whatever questions they choose to ask of the Attorney General who is responsible for the appointments while we deal with his estimates. At that time, I feel they will be able to get further elaboration on the comments that have been made up to this point.

Mr. Laughren: It is too bad that what is unfolding is unfolding. Obviously the government members intend to bury this issue or try to.

What bothers me a great deal is the nature of the OMB itself. Most of us recognize the OMB as being that quasi-judicial body that reviews major planning decisions and municipal expenditures. I always thought one reason it was established was to remove it from the heat and the immediacy of the municipality involved and from the influence of local, provincial and federal politicians in the area. I always thought that was the purpose of the OMB. It was set up as a quasi-judicial body for that purpose. That was one of the main reasons it was established in its present form.

If one accepts that is the role of the OMB, and I think it is, then surely you would be very cautious about any appointments to it so that you did not, in effect, take it back to that community or to people who might, even indirectly, have a vested interest in decisions it would make. That is terribly important if the OMB is to function without being tainted and without a cloud over it.

I ask the government members, do you really believe that any decision made by the OMB of which Mr. Rosenberg is a part will not be questioned? Do you really believe from this point on that any decision he makes on a major planning issue or expenditures will not be questioned? You might wish it otherwise, but that is what will happen. You cannot turn the clock back in that regard, no matter whether a statement in that letter is true or not. You simply cannot do that; the die is cast.

I would remind you too that you can try to deal with it during the estimates with the Attorney General if you like, but

that is not going to get you many answers. Mr. Rosenberg has refused to answer any questions following his press conference. He did not answer them that day and I do not believe he has answered any since then. So you are not going to get any answers from the Attorney General.

How do you expect us to regard your position when we know, and you know, that nothing is going to flow from being it dealt with in the estimates. No light will be shed. You will not feel assured that justice has taken place. You will feel uncomfortable with that for a long, long time, not so much with your decision as with the questions that will always be swirling about the OMB and appointments to it.

I do not mean to preach to you, but quite frankly I think you are doing yourselves a disservice by refusing to support his motion. Surely government members have even more to gain by having the air cleared than do the opposition members, if you want to put it in a highly partisan and political context.

Mr. Conway: The man impugned the integrity of the Premier, for heaven's sake.

Mr. Laughren: That is right. It seems to me that neither the process nor the government itself is being well served if we try to bury it in the estimates of the Attorney General. You know and I know that is not going to reveal or shed any light on the issue. I really think you should reassess what you are attempting to do here, and which you have the power and the numbers to do, because I think you are not doing either what is proper or what in the long run will serve you and your party well.

Mr. Gillies: I will be brief. I think a few of the comments made by some of my friends opposite do bear looking at and some degree of refutation. First of all, I really do take issue with one of the comments made by Mr. Swart in which he said I had said I supported or endorsed or suggested that I supported or endorsed a system of patronage.

Mr. Swart: As part of the system.

Mr. Gillies: I think if you review what I said, it was that I accept it as a fact of life. That does not mean that I like it. That, sir, I think is a very different issue.

Mr. Swart: I do not accept it.

Mr. Gillies: That, sir, is a very different issue from the motion before us.

It has also been suggested by one or two members that this is purely and simply a case of an appointment made for partisan reasons as opposed to an appointment made with due consideration to the qualifications of the appointee.

Mr. Conway: Who said that?

Mr. Gillies: I believe Mr. Swart said it.

Interjection: Did you say that? I did not hear you say that.

Mr. Gillies: I am sorry. I will check the record.

Mr. Swart: I had it written down but forgot to mention it.

Mr. Gillies: I will check the record on that.

Mr. Swart: But now I am going to refer it.

Mr. Gillies: Now you are going to refer to it. I flushed it out of you anyway. I do not think that is a widely held view. As I said earlier, when the colleagues of the mayor of Kitchener on his council were contacted about this matter, they were unanimous. Whatever their criticisms of the process or the possible embarrassment, they were unanimous in this article to which I refer in saying, "Every alderman surveyed agreed that Rosenberg deserved his recently announced government appointment to the OMB." So again I am not sure that argument particularly holds water.

I guess the very crux of what I want to say is this, and of course I was not here: Why did the members of the government not hear such righteous indignation from members of the opposition at the time of the appointment of Mr. Vernon Singer or--

Mr. Conway: Be careful.

Mr. Gillies: --at the time of the appointment of Mr. Phil Givens?

Mr. Conway: You were not here, Phil. We will not hold you accountable for this.

Mr. Laughren: There was not the evidence there is in this case.

Mr. Gillies: Why was there not the push for an inquiry into the appointment of Mr. Walter Pitman?

Mr. Conway: Read the speeches, for heaven's sake.

Mr. Gillies: With respect, Mr. Conway, I do not think you appeared before the justice committee at that time suggesting that there should be an inquiry into one of those appointments.

Mr. Conway: Others suggested that and, as my friend the member for Nickel Belt says, there certainly was not this kind of incriminating material on which a justice committee concerned with evidence would want to have before proceeding.

Mr. Gillies: Perhaps, but none the less it brings me back to--

Mr. Conway: Read Ed Ziemba's speeches and you will--

Mr. Mitchell: With respect, Sean, if I may interject, Murray referred to the Astra/Re-Mor situation. It was the federal government which directed that their people, whom we wished to see at this committee, would not appear.

11:30 a.m.

Mr. Gillies: Sean, I guess what I am getting at is that when these various--

Interjections.

Mr. Chairman: Back to the floor. Mr. Gillies has it.

Mr. Gillies: When these various matters came to light, you now say for the record that they did not sit well with various members of the Legislature.

Mr. Conway: Ask Mr. Rotenberg. He said some very interesting things.

Mr. Gillies: I put it to you then. Why should the appointment of Mr. Rosenberg--about which I accept the fact that there are some questions that should be answered--become the focus of an ongoing situation?

Mr. Conway: He lied in public.

Mr. Gillies: Sure, we will bring in Vern Singer and everyone else.

Mr. Conway: Sure.

Mr. Gillies: Again, I accept and agree with what Mr. Laughren said a few minutes ago, in terms of the role, the purpose and the makeup of the Ontario Municipal Board, but that again--

Mr. Laughren: Accept my amendment.

Mr. Conway: We cannot be seen to be appointing self-confessed liars.

Mr. Gillies: --is a different and a broader issue than the appointment of Mr. Rosenberg. So if we are going to look at the whole area, if this committee sees a possible contribution to the enhancement of the administration of justice to examine the whole area of appointments and patronage, if you will, that I accept.

I do not accept a situation where, listening to various opposition spokesmen, I sense and feel that you really have prejudged the matter. Sean, you have already decided that Morley Rosenberg is a liar. Mr. Swart, you have already decided that he is not a suitable appointment. What possible information that could come forward in an inquiry would add to your knowledge or to your consideration of this matter? It is prejudged.

Mr. Conway: The collusion with the Premier, for one.

Mr. Swart: Have you decided, therefore, that Rosenberg's first letter was false? Have you decided that?

Mr. Gillies: No, I have not.

Mr. Swart: Good. Then you want an investigation.

Mr. Gillies: I would say there are questions about the letter and about the appointment that the Attorney General will answer during the 15 or 20 hours that he is before this committee to consider estimates.

Mr. Laughren: He does not know you.

Mr. Gillies: I have never met the man.

Mr. Laughren: The Attorney General?

Mr. Gillies: No, Mr. Rosenberg.

Mr. Laughren: Mac Makarchuk knows him well.

Mr. Gillies: I come back to my original point. I really wonder whether the point of this exercise, whether the point of Mr. Conway's motions, is to enhance the administration of justice or whether it is to achieve some sort of public airing of a matter that he and his colleagues have already prejudged; whether in fact it is an attempt to talk about the quality of appointments to the Ontario Municipal Board, or whether it is an attempt to pillory a man. That is why I have a problem with this motion.

Mr. Spensieri: Mr. Chairman, recognizing that we are still dealing with matters of scheduling and priority, I shall be very brief. But I would like to state, as the critic for a party that deals with two out of the four areas in the Justice policy field, those of Correctional Services and of the Solicitor General, I have perhaps had more than my share of dealing with estimates.

While I have not experienced the same degree of frustration that Mr. Morley Rosenberg has experienced, there is frustration as critic when dealing with estimates because of the shortness of time and the number of the issues. Therefore, the argument being advanced that estimates are the proper forum is to be absolutely rebutted, especially when one is dealing with the Attorney General's estimates.

This year's estimates will be laden chock full of issues and matters of public importance, matters that have been before the press, such as the Hospital for Sick Children inquiry, the various ticket-fixing cases, the Kim Anne Popen study, the rape crisis in Toronto, the activities of the drug squad, the activities of the police in fabricating evidence, the judges' comments on the police doctoring reports, the Proverbs affair, just to mention a few of the issues which my colleagues will have to deal with in estimates.

Therefore, it is ludicrous for a forum such as one dealing with the estimates, which was intended to carry on, shall we say, a departmental type of function, should be exploited or used in this way. It can only lead to a very summary and very informal review not becoming to this committee.

The second point I want to address is the question my friend touched on, the aspect of professional conduct. The rulebook, as the chairman will appreciate, also speaks of three other items: the question of integrity of a member of the bar; the question of professional competence; and also the question of a duty of all members of the profession, be they in public office or not, to bring to the attention of the law society matters which bear investigation and, possibly, corrective or punitive action.

It seems to me that if we as individuals and members of the profession, albeit in a partisan way, were to write to the law society and ask it to investigate the question of the integrity or the competence and various aspects of Mr. Morley Rosenberg's conduct, we would be taken at our political worst. The matter would not receive the investigative attention it deserves.

But if this committee were to report its separate findings to the law society, then I am of the view that there would be more credence and more possibility of investigative action to follow. For that reason, I would simply urge that this matter be given the highest priority independent from the estimates.

Mr. Conway: Mr. Chairman, I would like to touch upon some of the points that have already been made. Mr. Gillies--God bless Mr. Gillies. You know, he is really put in a pretty invidious, unfortunate situation. He is struggling manfully to defend what privately would be admitted is an utterly, abjectly hopeless case.

Mr. Gillies: There you are prejudging again.

Mr. Conway: He talks blithely about the system. I want the member for Brantford to take notice that I have not in my motion drawn his attention to even, for example, the same issue of background. If you look in your compendium you'll see right underneath the appointment of Morley Rosenberg the appointment of Don Irvine, the former Tory MPP for Grenville-Dundas--a very fine man--to the chairmanship of the St. Lawrence Parks Commission, an appointment which is ostensibly political and one with which I have no quarrel at all. I don't even take issue with the fact that the defeated candidate in the riding of my colleague the member for Huron Bruce, Gary Harron, was, within a day or two of this appointment, himself appointed to the Ontario Municipal Board.

I don't want to make any issue for the here and now about Mr. Ross DeGeer or M. Omer Déslauriers. Both of them are luxuriating in the quiet comfort of Ontario House and the agency general in Brussels. I don't want to talk about the system at large. If the member for Brantford insists on dragging up M. Déslauriers and how he came to go within a very short period of time from the--what was it, Renè?

Mr. Piché: ACFO, l'Association canadienne-française de l'Ontario.

Mr. Conway: --ACFO, to the candidacy in Ottawa East, to Agent General in Brussels, then perhaps he would want to move a motion. I don't intend to so examine the affairs of M. Omer Déslauriers.

I am cognizant, as is he, about the system and its multifaceted operations. This is something different, and I want to recommend to the not inconsiderable intelligence of the member for Brantford that the difference is, as I have indicated earlier, a letter of public record from a member of the Law Society of Upper Canada, a distinguished member of municipal council, which has already been attested to, a man who has had long involvement in public life who wrote this letter which we are now told by the aggrieved parties did, among other things, impugn the integrity of the Premier of Ontario and the Attorney General. He has admitted, this member of the law society, to lying in public. The issue is, in this instance, not the system. The issue is the advisability, the propriety of appointing a self-confessed liar to the quasi-judicial Ontario Municipal Board.

Mr. Mitchell: You would agree that the Attorney General is the person under whom the OMB comes? And you would agree then that logically when you're dealing with his estimates that is where the question should be?

Mr. Conway: Let me get to that. I want to get to that in a moment. That is what makes this so different from even the cases of my former colleagues from Armourdale and Wilson Heights. To the best of my knowledge there has not been the production of such materials upon the public record which, as far as I am concerned, demand that action be taken. I think that action has got to be taken by this committee.

In his recantation, the mayor of Kitchener said, "God, I was confused and I was frustrated; therefore I lied about these matters affecting the various appointments which I sought." I ask you people to consider the advisability of appointing a man to a quasi-judicial board who, by his own admission, is given to fits of frustration and confusion.

11:40 a.m.

Mr. Chairman: Mr. Conway, I have heard over and over the word "lie," etc. In his letter of recantation I do not recall ever seeing the word "lie" or such an admission. It is being repeated too many times here to leave it hanging. I believe the man said he erred, and other synonyms. I do not believe he said he lied. I think we had better stay a little closer to facts.

Mr. Swart: Maybe we should investigate it.

Mr. Conway: That is my difficulty.

Mr. Chairman: I do not like to see the words "lie," "lied," etc., reiterated until it becomes truth in itself.

Mr. Conway: All right. Let me take you up on that for a very brief moment.

In the letter of June 18, the mayor of Kitchener is unequivocal, absolutely clear about saying: "As you will recall Mr. Premier, I was encouraged in the fall of 1980 to join the Conservative Party and to be the Conservative candidate in the March 1981 election. I did so on the basis that if I lost the election I would be assured of a provincial judgeship, reasonably after the election and certainly before the end of my term as mayor."

Mr. Mitchell: Would you please repeat the first paragraph of the letter?

Mr. Conway: "I am appealing to you on the matter of a possible appointment..."

Mr. Mitchell: Possible.

Mr. Brandt: Why would he not say--

Mr. Conway: What about the fact that there was a promise that the mayor of Kitchener gets to at a little later point, for the attention of the member for Sarnia (Mr. Brandt), but I think he raised a very good point.

That letter makes it very clear. It is as clear as a country boy from the Ottawa Valley, at least, can imagine clarity as being. He is saying, "I ran because I was promised an appointment." To be sure, it was an appointment to the provincial court bench. The member for Sarnia will want to share with me that penultimate paragraph one last time.

"Sir, the slogan the provincial campaign promoted during the 1981 election was 'Keep the Promise.' I am appealing to you, Mr. Premier, 'to keep the promise' with regard to my appointment to the bench." There is no "possible appointment" at all.

At the bottom of page 1 of that letter, as we have it at any rate, he talks about three specific situations in which that promise was developed and completed.

Mr. Gillies: Sean, can I interject?

Mr. Chairman: No.

Mr. Gillies: Can I just ask the chairman for--

Mr. Chairman: No, Mr. Gillies. No. Mr. Conway is justifying his continued use of the word "lie."

Mr. Gillies: But it is on that point, Mr. Chairman, if I could just put the question to Mr. Conway. When he repeatedly uses that term with reference to this matter, do you really think that in any way contributes to my feeling, or the feeling of any member of the committee, that what you are really looking for here is a

fair and judicious arbitration of this matter? Or does it rather contribute to--

Mr. Chairman: No, Mr. Gillies, you are out of order.

Mr. Conway: When on September 23 the mayor of Kitchener convened a press conference--and remember the press conference not too many weeks before, when with grasping, clutching hand outstretched he expects to get \$60,000 of provincial money annually--with hand outstretched he says: "It is not true. The letter is not true. There was no such understanding." It was a complete reversal of the letter.

It is true that the mayor of Kitchener did not call himself a liar, but I say to you, sir, as a reasonable man, as the member for Oxford, Richard Treleaven, QC, that on the face of it that is as clear a case of dissembling, of misrepresentation about leadership in the provincial administration and, yes, from the point of view of this person, a lie. If I did what the mayor of Kitchener has done I would not at all consider it out of order for the member for Sarnia to say outside the House: "He lied. He did not tell the truth."

That is why I used the word by taking the mayor at his own stride. It was A and then negative A. Clearly, both cannot be the case. I say that using that kind of reasonable logic it is not at all unfair to say that we have the appointment of a self-confessed liar to the quasi-judicial Ontario Municipal Board.

Mr. Chairman: Thank you, Mr. Conway. You have clarified that, in your opinion, you interpret his statements as being a lie. It would be better to keep paraphrasing it in the terms, "I believe that," rather than trying to make it so by repetition over and over again.

Mr. Conway: It is for that very reason that I want this committee, in the public interest, to invite the mayor of the city of Kitchener, who has a grasping hand outstretched for that \$60,000 salary, just before he gets his thumb on the first public dollar that he might do here, to come before the assembly of the people discharged with paying his salary and do what he did not do in Kitchener some two weeks ago, and that is answer a few questions.

I add to the earlier concern that I outlined, my secondary concern. I know something about the municipal board, although not nearly as much as other members. The member for Welland-Thorold, with his long and distinguished municipal career and the member for Sarnia, the former chief magistrate of that great city, will know a lot more about it than I. But I do know this much, that they do have to deliberate upon some serious matters.

Now we have a case where the mayor of Kitchener says, "You know, ladies and gentlemen of the province who have an interest in this matter, I do suffer from time to time from fits of confusion and frustration, the results of which can be that on the one hand and on the one day I say X, and on the next day I say negative X." I have to ask you about the fitness of that kind of an

appointment, over and above the matters that I raised earlier.

The member for Carleton, as is his wont, tried in a careful way to direct our attention to the estimates procedures. It was a valiant try. I heard the member from Thorold use some rather colourful language. As an eastern Ontarian, I find it difficult to use such language about my friend from Carleton, but there is in my view no doubt about the fact, the transparent reality, that the estimates debate in this kind of situation would be a hopeless case.

The Attorney General is quoted through one of these papers, and that is one of the reasons I want him here along with the mayor of Kitchener. At one point in the compendium the very distinguished former president of the Queen's Park press gallery, Mr. David Allen, is quoted in the Kitchener-Waterloo Record of September 21 1982--and it speaks to later parts of my motion--"David Allen, spokesman for Attorney General Roy McMurtry said ... McMurtry and Rosenberg had had previous correspondence involving a judgeship that shows McMurtry saying, 'no ... no ... no' to Rosenberg's repeated requests ..."

I think it would be very helpful if we could get some better feeling, in the presence not only of the Attorney General but also of Mr. Rosenberg, of something of the dynamics of that dialectic, the "No, no, no, Morley, you are not getting the judicial appointment." We are not going to be able to do that, as the member for Carleton knows only too well, in the estimates which are already burdened with a lot of other pressing matters. I say to him this is a matter which ought to concern members of this justice committee, who surely want to satisfy themselves, in the public interest, that justice is done but is also seen to be done.

But given the very serious things that have been said, not only by the Attorney General, but about Mr. Hoskinson, about Mr. William G. Davis, Premier and first minister, QC, these members, all of them, the five witnesses, all of whom are members of the Law Society of Upper Canada, would want to come before this committee to clear their name. They are not going to be able to do that if we have the estimates reference that the member drew to our attention, because I think it is absolutely central that Mr. Morley Rosenberg, QC, come here.

I will not even mention the fact that the former leader of the New Democratic Party apparently went to the chief law officer for the province to work out that QC. I will not even mention that. I have also left Walter Pitman out of this whole debate in the interests of ecumenical fairness.

11:50 a.m.

Before Mr. Rosenberg ascends the throne of that quasi-judicial board and accepts the \$60,000 worth of public funds, I just want to say he has an obligation to come before this committee and tell us what he knows, in its entirety, about this situation, and to answer questions which he has heretofore steadfastly refused to answer; and that the Attorney General, Mr. Hoskinson and Mr. Eddie Goodman also come and express themselves,

if for no other reason than to clear their names from the very serious charges which rest on the public record as a result of the June 18, 1982, letter.

I say finally, and for the attention of the member for Brantford, that letter makes this a different case than the others. If M. Omers Déslauriers had written a letter which appeared in *Le Droit* and effectively said, "You know, Mr. Davis, the only reason I ran for you in the hopeless case, the ultimate of Tory hopelessness in Ottawa East, was because you had promised me the quiet luxury of Brussels," then we should be similarly concerned. But thus far no letter from M. Déslauriers has appeared.

I have mentioned Mr. Irvine's appointment and I will not talk again about Mr. Harron's appointment, but as my friend from Brantford will know privately, if he is reluctant to admit it publicly, this is a very different case because of what is now on the public record. The issue is not patronage; the issue is the appointment of a self-confessed liar to the quasi-judicial Ontario Municipal Board. That appointment takes effect in two and a half months' time and will bring this man very important public responsibility for which he will be paid \$60,000 annually by the taxpayers. There are a lot of unanswered questions and a very dark cloud of public suspicion and genuine legislative and public concern.

Mr. Swart: I was going to mention before this issue of merit or the qualifications of Mr. Rosenberg for this appointment. That issue is really a red herring. No one here doubts that Mr. Rosenberg has qualifications to be on the Ontario Municipal Board as far as his knowledge goes. That is not the question that is before this committee. It is the question of his being appointed because a promise was made that if he ran in an election he would get a judgeship. Alternatively, it came out as an appointment to the OMB.

That is the issue. It has nothing to do with merit. There are thousands of people across this province who have the ability to be on the OMB. I am not even going to question whether he has or not. There may be some question now whether a person who has made these totally contradictory statements has the ethical qualifications to be a member of the OMB. But as for other qualifications, I suggest that is a red herring.

Second, I can agree to some extent with the member for Brantford that we should not be judging here today whether Mr. Rosenberg is guilty in this matter. I think the motion before us is an attempt to determine on the written evidence of totally contradictory statements, which I think can be interpreted as lying, whether we can determine which of those statements was correct. That is really what the motion is here for.

On the one hand, there was blatant political patronage and perhaps even illegal matters pertaining to his appointment if that first letter is correct. If his second statement was correct, he was trying to bring pressure to bear on the government. The member for Brantford said we should not prejudge. As I say, I rather agree with that.

I think I am right in saying he also said that we may be persecuting Mr. Rosenberg here. If we have a hearing, we might possibly find out that it was not Mr. Rosenberg who made the false statements in that first letter. You have not prejudged, and I think we should want to find out which of those is right. Would the member for Brantford not think so? Let us find out which of those statements is incorrect.

I suggest we cannot find that out unless we have Mr. Rosenberg here. We cannot find out by asking the Attorney General. He does not have all the evidence in this case. There are questions I would like to ask Mr. Rosenberg, such as, if no promise had been made and no indication had been made to him that he would get a judgeship if he ran as a Conservative, and he put that in a letter, would he not have thought that would jeopardize his chances of getting the job as a judge forever or, for that matter, any other major appointment with the Ontario government?

Mr. Rosenberg is not a stupid man. You might think he was from the letter he wrote, but he did not realize that was going to be public. Would he really have written that letter to the Premier making a false accusation that he had been given a promise, if he had not been given the promise? Surely that would mean he would never get that job.

There is another question I would like to ask the Premier. If Mr. Rosenberg wrote in a letter that he had been promised a job and he had not been promised a job, is it likely that he would then have been appointed to a major position at \$60,000 a year? Those are the kinds of questions we would like to ask. I think they are legitimate questions to be asked, if we want to get to the bottom of this.

Mr. Conway: And this johnny-come-lately to the Tory cause getting the biggest plum of all, much better than long-serving Tory soldiers who must be really asking some questions.

Mr. Swart: It is not a question of trying to persecute Mr. Rosenberg. It is trying to get to the bottom of this issue, which is a pretty important issue, I suggest, for the whole democratic process, for the whole matter of political patronage, whether it is going to be accepted in our society or whether we are going to try to clean up the act of that political patronage that is taking place.

I say to the member for Brantford, who has obviously been given the job of protecting the government in this, if we get the opportunity we will be moving that this be broadened a bit and that we hear from Mr. Givens and from Vern Singer.

Mr. Brandt: Perhaps Stephen Lewis.

Mr. Swart: Perhaps we might even get Ed Ziemba here. He might have something useful to say to this committee.

Mr. Brandt: Perhaps Jack Horner.

Mr. Swart: I am very serious in this, Mr. Chairman. If we really want it to be broadened, the Conservatives on this committee have the vote to do it. We will vote with them on the broadening of it. We will even move the motion to give them the opportunity to broaden it.

If they are serious, as the member for Brantford has said, about wanting to delve into the political patronage system and get to the bottom of what is taking place, we will help them. Let us not use that as an excuse to kill the investigation into the Rosenberg affair. We will broaden it as far as you want to broaden it.

Mr. Conway: How did Claude Bennett's barber end up as a sheriff for the district of Carleton?

Mr. Chairman: Mr. Swart, may I point out that if you were to move an amendment broadening it out to include those other people, I believe the chair would rule that out of order. The instructions from the House are pretty specific and the wording I have in front of me refers only to the circumstances surrounding the appointment of one person to one board. I would have to rule that out of order, subject to the committee overruling me, challenging the chair. I think we are pretty narrow in our frame of reference.

12 noon

Mr. Swart: Mr. Chairman, we could come to that at the time, of course, but perhaps I can say in advance you might have very good reason to not move it out of order on two counts. One, in the referral of a minister's annual report, that is very broad. Even though in the actual petition it is referred for a purpose, the referring of an annual report gives the opportunity to deal with a lot of matters in that report. I would like you to investigate that aspect of it.

Second, we are into the matter of political patronage. It might not be contrary to procedures or too far out of line to bring in at least the two people whom I have mentioned.

Mr. Chairman: Mr. Swart, I have to disagree with you. The annual report of the Attorney General is referred here "for consideration of the circumstances surrounding the appointment of Mr. Morley Rosenberg to the Ontario Municipal Board together with the allegations contained in an article and letter published in the Toronto Daily Star, September 21, 1982." That is very tight and narrow, and I would believe that any witchhunt or widening of a witchhunt or anything like that by bringing in people who have no connection with this would be out of order.

Mr. Swart: What you are saying to us then is we should on Thursday have a new petition in the House to broaden it a little.

Mr. Chairman: I would not presume ever to tell the NDP what to do, Mr. Swart.

Mr. Brandt: As one reads the letter written on June 18, which has been referred to so frequently think that every member of this committee would agree it is fraught with inconsistencies, perhaps inaccuracies. I think that to be fair to the letter, it is dumb letter, and I do not think there is anyone who would refute that statement. I found it interesting in the first paragraph where Mr. Rosenberg--

Mr. Conway: It is really not a dumb letter in the strictest interpretation of that. Would that it were. It worked.

Mr. Brandt: No, it did not work. He does not have a provincial judgeship as you have well noted.

The paragraph I find of some interest, and there are other members of the committee who have highlighted other paragraphs of the letter which they are interpreting for their own particular interests, is that first paragraph where Mr. Rosenberg talks about the possible appointment to the bench. I can only suggest to my colleagues in this committee that were I in the position of writing such an ill-advised letter, which I would not do, of course, but if one were to be so motivated--

Mr. Conway: You would just call Lorne. It isn't even long distance.

Mr. Brandt: --the thing I would probably have done, I would suggest, is to write in a somewhat more positive vein in that first paragraph and suggest that the promised appointment--did the chairman leave already because I began my remarks?

The Acting Chairman (Mr. Piché): You have a new chairman.

Mr. Brandt: I trust you will stop these interjections so that I can carry on with my argument.

Mr. Swart: Even the chairman can't see any defence of such an act.

Mr. Brandt: Thank you, Mr. Swart. The point I want to make is that I think, were I in the position of writing such a letter, I would talk in terms of the promised appointment rather than the possible--that question is left open there--appointment to the provincial bench. I say so because there are certain parallels between Mr. Rosenberg and myself. He was the mayor of a medium-sized community, as was I, and we served for some long--I know you are lusting after the opportunity of jumping in here but if you could just be patient for a moment.

Mr. Conway: A closet New Democrat.

Mr. Brandt: Never. I have certain warts and blemishes in my career, but that is not one of them I can assure you.

Mr. Conway: Bud Cullen told me all about it.

Interjections.

Mr. Brandt: The fact of the matter is that I too ran in 1981 and I too had the usual appointment with the leader of my party and we discussed certain matters relating to the election. Of course, winning and losing is always a matter that I am sure you discussed with your leader of the day, who has now gone on to the Science Council of Canada, I believe. He has received an appointment and Dr. Stuart Smith has moved on to his just reward at a somewhat different level of government.

The reality is, however, that for every political party, and I am sure Mr. Swart will agree with at least this one statement if no other, the fact of the matter is that candidates for a political office on occasion do talk to their leaders. The fact of the matter is that during the course of those conversations there could have possibly been some misunderstanding on the part of Mr. Rosenberg's position.

I want to say this very clearly because in my discussions with the Premier in 1981, I want to assure the members of this committee, and I speak as though I was under oath at this time, there were no promises of any future positions made to me nor to any--

Mr. Elston: You had a chance of winning.

Mr. Brandt: I would suggest that Mr. Rosenberg, after a long history of some 15 years in municipal politics--

Mr. Swart: But was there some suggestion made that you might?

Mr. Brandt: There was no suggestion whatever that I was going to receive some future political appointment.

Mr. Swart: Any request?

Interjections.

Mr. Brandt: I, too, was in there. I would suggest that if Mr. Rosenberg received that kind of guarantee of future security it was perhaps in his own mind, which he has clarified, I think quite adequately, in the following correspondence that has come out of his office and from Mr. Rosenberg directly with respect to that particular point. No one who has been involved in terms of the original comments by Mr. Rosenberg has admitted to any kind of a promise whatever to him.

Mr. Conway: Surprise, surprise.

Mr. Brandt: I find that not surprising at all because in all probability the strongest possibility is there was no promise made to Mr. Rosenberg, and there is no promise made, to the best of my knowledge, to other candidates who run.

Mr. Laughren: Even those who switched parties?

Mr. Brandt: Some have on occasion without promises, I would suggest.

Mr. Laughren: Name one.

Mr. Brandt: But there has been no question whatever raised in this committee--in fact I think it was reinforced by Mr. Swart--that the qualifications of Mr. Rosenberg are not under question here at this particular time, that he has had a long, valued and highly qualified experience as a member of a municipal council and, further, a long number of years as the mayor of that municipality.

Mr. Conway: But his conduct in September changes some of that. You have to agree to that.

Mr. Brandt: I would question his conduct in September as well. I think this committee has more than adequate time, perhaps up to 20 hours if they see this as a priority item, to discuss this during the estimates of the Attorney General. I think that is more than adequate opportunity for the members of this committee to launch their questions to the office that makes the appointments, to the very board you feel should be questioned at this time as a result of the many details that have flowed out of the correspondence of Mr. Rosenberg.

Mr. Swart: You do not think that Mr. Rosenberg should be questioned?

Mr. Brandt: No, and I do not think the Premier should be questioned because I do not think the Premier's integrity in this case should be questioned whatsoever. He has denied publicly there was any promise made and the others have as well denied publicly that there has been any promise made to Mr. Rosenberg.

I do not think it any more than I think the Prime Minister of this country should be brought before a committee to answer for Jack Horner, or to answer for Edgar Benson, or to answer for Mitchell Sharp or to answer for Stuart Smith or for a long number of other appointments that have been made. I do not find it particularly inconsistent quite frankly.

The words "political patronage" have been used by some of my colleagues but I do not find it particularly inconsistent to appoint someone who, in the first instance, is qualified and, in the second instance, has a philosophy which is generally in keeping with that of the government. Certainly, you do not appoint enemies in all particular instances to boards and commissions in order to get people who are inconsistent with the philosophy of the government.

Mr. Conway: Talk to the Tories who ran against Morley those five times.

Mr. Brandt: Therefore, I have to say that when one looks at the political process, and when one looks at the appointments that have been made, I find nothing irregular or improper about

this particular appointment. If some of the details with respect to the appointment are to be pursued with more vigour and tenacity, as the members have suggested from the Liberal and New Democratic Parties, they can do so during the course of the Attorney General's estimates.

I would suggest that is the appropriate time and the appropriate place to do so. I would not, however, support the position of some members who are suggesting we bring a whole parade of witnesses to go on a particular witchhunt which will prove absolutely nothing.

Mr. Conway: He probably will appoint Joe Pomerant to the bench. He has had a long, distinguished experience.

Mr. McLean: Mr. Chairman, I find it unnecessary to repeat what has been said here. Andy Brandt has enlightened us on what I wanted to speak about. I am trying to observe the amount of time we are spending to revise the schedule and agenda. I would ask you if you would like to put the question.

Mr. Chairman: You being the last person on the list and everyone having spoken at least once who wished to speak--

Mr. Conway: The tracks of Bud's whip are everywhere on your backs.

Mr. Chairman:--it is time for the motion to be put. Gentlemen, make sure you know which one of Mr. Conway's motions you are voting on.

Mr. Conway: On that point of order, Mr. Chairman, obviously the first motion is the general motion and without it the rest are somewhat--quite frankly, if we do not accept proceeding in a sensible, parliamentary way and we succumb to a partisan coverup, then motions 2, 3 and 4 are clearly redundant. If we cannot agree as a committee in the public interest to proceed with a legitimate parliamentary inquiry into a legitimate parliamentary matter, then motions 2, 3 and 4 are redundant.

Mr. Chairman: Thank you. Following Mr. McLean's wish, the question will now be put. All those in favour of Mr. Conway's motion, please raise your hands--five. All those opposed--six.

Motion negatived.

Mr. Swart: That is the worst political coverup since I have been in this House and a long time before that, Mr. Chairman.

Mr. Elston: It is a sad day for justice.

Mr. Chairman: That is your opinion.

Mr. Swart: It will be held by the people of this province too.

Mr. Chairman: Shall we carry on with the scheduling of business?

Mr. Mitchell: Mr. Chairman, I move that next Wednesday we sit to complete the city of Windsor bill deliberations, that is, unless Bill 179 comes to this committee in the interim. Should Bill 179 be referred, of course, that takes precedence and we will deal with that, to be followed by the estimates of the Ministry of the Attorney General.

Mr. Chairman: On that motion, Mr. Mitchell, we are dealing with something that is hypothetical. Are you saying that if Bill 179 is not referred to this committee, we should go right from Bill 11 to--

Mr. Mitchell: The Attorney General's estimates.

Mr. Chairman: I am afraid the order of the estimates is determined for us.

Mr. Mitchell: Assuming the Ministry of Consumer and Commercial Relations are redirected to another committee.

Mr. Chairman: Yes.

Mr. Mitchell: This is all predicated on that particular situation.

Mr. Chairman: Yes.

Mr. Mitchell: I have moved, Mr. Chairman, that if no other bills have been referred to us prior to next Wednesday, we will deal with the city of Windsor bill next Wednesday and then proceed from there into the estimates of the Attorney General, predicated on what we are led to believe, that the Consumer and Commercial Relations estimates will be redirected elsewhere.

Mr. Chairman: I am sorry, Mr. Mitchell. In clarification, it appears to me that if we get one, we lose one. If we get Bill 179, we lose CCR. The two come and go together. Therefore, the first part of your motion is fine, that we proceed next Wednesday with the Windsor bill, but then we are either going to have Bill 179--

Mr. Mitchell: That's right.

Mr. Chairman: --or if we don't have Bill 179, then the next estimates are CCR and they are still in front of us. We cannot leapfrog those without instructions from the House.

Mr. Mitchell: May I change it then, based on your concern, to say that we will deal next Wednesday with the city of Windsor bill? Then if we have not had Bill 179 referred to this committee, we will proceed with the estimates in order of priority as established by the House or by the House leaders in discussion.

Mr. Chairman: Fine. That would be CCR. Thank you. I will, of course, contact the Minister of Consumer and Commercial Relations to be ready if there are no redirections.

Motion agreed to.

Mr. Chairman: There is one more thing, gentlemen. There will be events probably happening over the next hour that may have a bearing or may clarify the matter of Bill 179. If the persistent rumours are close to accurate, it means we will be vested with Bill 179 fairly quickly. We must advertise. Will someone make a motion giving me the authority to advertise in all the dailies, the same list we used for Bill 11, to get the clerk to do that immediately this afternoon, if I learn we are going to be vested with the bill?

Mr. Elston: Just tell us if there is going to be a meeting of the Conservative caucus to determine the destination of Bill 179, then we will not have to jump back and forth around the words. I will be very pleased to move that if the caucus, in its wisdom, decides after the one o'clock meeting that Bill 179 will proceed to the justice committee, then the committee through its chairman and clerk be authorized to advertise. I would like to put a rider on this. I think the popular name for the bill should also be displayed along with the long title, that is, the restraint bill, or something along those lines.

Mr. Chairman: The Inflation Restraint Act.

Mr. Gillies: On a point of order, this is something I am not quite clear on. Does a committee normally vote to advertise or is that a decision of the House when it is referred to a committee?

Mr. Chairman: No, that is our own procedure.

Mr. Gillies: I am just wondering if what we are talking about is in order in that this committee, to the best of my knowledge, has not yet voted on whether to advertise. I wonder if this may be a little premature.

Mr. Chairman: No, it is not premature. If hearings are to start next week, we will have no chance to meet again. We have to get this out. The normal way is to go in the dailies. There is no time for translation into the different language newspapers. We set our budget in anticipation of this kind of thing. I will ask the question on Mr. Elston's motion, and he asked that the words "Inflation Restraint Act"--

Mr. Piché: That's the name of the bill, isn't it?

Mr. Chairman: The short name.

Mr. Elston: The reason I am doing that is that we are getting a great deal of feedback with respect to two or three other bills that have appeared in front of us. As the mayor of Mississauga said, she was not aware of the popular name. I think we should draw everyone's attention as quickly as we can to the essence of the bill before us. That is the reason.

Mr. Chairman: All those in favour of that will please raise their hands. Opposed. Are you opposed?

Mr. Mitchell: I don't think we discussed how the committee intends to proceed with that bill, but--

Mr. Chairman: In any event, Mr. Mitchell, I record that it was seven in favour and one opposed.

Motion agreed to.

Mr. Chairman: We are assuming that if it comes the House will give us pretty strict marching orders and tight instructions as far as the length of time of the sittings is concerned.

Mr. Piché: It is at the discretion of the chairman.

Mr. Chairman: That is our agenda. We are adjourned until next Wednesday at 10 o'clock unless called earlier by the House.

The committee adjourned at 12:19 p.m.

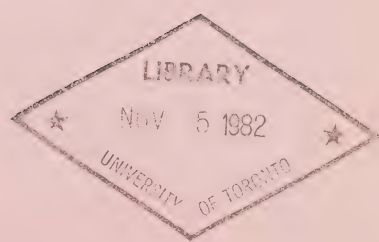
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Government
Publications

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE
INFLATION RESTRAINT ACT
TUESDAY, OCTOBER 19, 1982



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Eves, E. L. (Parry Sound PC)
Mitchell, R. C. (Carleton PC)
Piché, R. L. (Cochrane North PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)
Watson, A. N. (Chatham-Kent PC)

Substitutions:

Cooke, D. S. (Windsor-Riverside NDP) for Mr. Swart
Mackenzie, R. W. (Hamilton East NDP) for Mr. Breaugh
Nixon, R. F. (Brant-Oxford-Norfolk L) for Mr. Epp
Wrye, W. M. (Windsor-Sandwich L) for Mr. Breithaupt

Also taking part:

Bryden, M. H. (Beaches-Woodbine NDP)
Gillies, P. A. (Brantford PC)
Johnston, R. F. (Scarborough West NDP)
Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics
(Muskoka PC)
Renwick, J. A. (Riverdale NDP)

Clerk pro tem: White, G.

Witnesses:

From the Borough of York Women Teachers' Association:
Corbett, V., President Negotiator

From the London Women Teachers' Association:
Burke, S., First Vice-President
Vernon, M. C., President

From the Ontario Public School Teachers' Federation, District
Etobicoke:
Martin, W.

From the Ontario Public Service Employees Union:
O'Flynn, S., President

From the Women Teachers' Association of Etobicoke:
Anderson, J., Member
Bruce, M., President

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Tuesday, October 19, 1982

The committee met at 8:07 p.m. in room 228.

INFLATION RESTRAINT ACT

Consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector in Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Chairman: Ladies and gentlemen, it is past eight o'clock. May I do some procedural matters which I think should be done early? We know why we are here. The House has authorized us to sit for two weeks commencing tonight at eight o'clock to hold public hearings. May I underline the words "public hearings."

Mr. Piché: With no political overtones.

Mr. Chairman: Mr. Piché, let us start out in good order.

Interjection: I want his statement on the record.

Mr. Chairman: Mr. Renwick, would you pass that to someone who is sitting officially. I would be pleased to have that motion regarding advertising. Mr. Breithaupt approved of it and Mr. Renwick made a few amendments. If you would please, the writing is Mr. Renwick's. I'd like that motion.

Mr. Cooke moves that this committee ratify advertising in each of the daily newspapers in Ontario commencing Thursday, October 14, 1982, notice of this committee's public hearings regarding Bill 179 in the form as settled by the chairman.

Motion agreed to.

Mr. Chairman: Secondly, may we have a motion authorizing simultaneous French translation next Tuesday for a presentation to us at that point?

Mr. Piché: I would so move.

Mr. Chairman: Mr. Piché so moves. Carried?

Motion agreed to.

Mr. Chairman: Now, regarding the matter of opening statements, we are authorized by the House to commence public hearings at eight o'clock. Unless there is a consensus in the committee, the chair is prepared to rule that there will be no opening statements. However, I understand there is a consensus by the Liberals and New Democratic Party, that they wish to make short statements under five minutes. I am prepared to go along with that if that is the consensus unless I am overruled.

Is that the consensus of the committee?

Agreed, thank you.

Before we commence that, may I discuss time allotments for presentations. It is going to become more difficult as the days go by. As you know we have six days outlined. We have approximately 33 hours. We now have 98 groups that wish to appear in front of us. They are coming in at the rate of nine per half day. We will have extreme difficulty next week in hearing everyone.

It now is down to the point where the presentations must average less than 20 minutes each. Some of the major presentations, if I may use that term, whereby the witness represents many thousands of people, should have a bit of latitude allowed to him or her. However, we must keep in mind that every minute taken beyond 20 minutes at the beginning cuts into people at the end who may or may not be heard if it reaches that extreme.

So I believe, subject to being overruled by the committee, and subject to being a major presentation or a grouping or lumping of a number of groups with the same objects and aims, that I am going to try to be very dogmatic with all presentations including questions being limited to 20 minutes each.

Does that meet with the approval, is that the consensus generally? Does anyone wish to challenge the chair on that?

Mr. Mitchell: Not by way of a challenge, Mr. Chairman, however, there are groups that do wish to be heard. We wish to accommodate all the groups if we at all possibly can and I think that is a decision you, as chairman, based on the requests you are getting for hearings, will have to make the ultimate decision.

At the moment you are saying the number of applications seem to indicate they will be granted something like 20 minutes. I suggest to you that our attempt is to hear as many who have responded to the advertisements and as such then, I think it falls within your area of responsibility, unless the committee disagrees.

Mr. Cooke: The only point I was going to make is that I do not think that we can make any kind of, as you put it, dogmatic rule or any kind of ruling now. We will have to proceed and judge each group by the nature of their presentation and the interest within the committee. I certainly would not want to agree to any kind of a rule right now or consensus within this committee. It may be that all of us will come to the agreement at the end we are going to need some more time.

Mr. Chairman: Mr. Cooke, we have no latitude on extra time.

Mr. Cooke: The committee will order its business and what I am saying is that I am not going to agree to any kind of a consensus to a 20-minute or a 19- or 18-minute period of time for any particular group right now when we have not even started public hearings.

Mr. Chairman: Mr. Cooke, I wish to make it entirely clear that the committee will not and cannot order its own business beyond the frame that the House has given us. We must act within the framework that the House has ordered. All three parties agreed to this plus the House agreed. We have two weeks of public hearings. We cannot, unless the House gives us further instructions, expand that.

Mr. Elston: I wonder maybe if we might take a couple of days before we do anything on this point, proceed with the hearings that we are going through now, and then maybe make a decision later on whether or not it would be a good policy for this committee perhaps to split off a segment to act as a subcommittee to take in extra groups. That way we could have people present their material on the record and they would be given due time.

I think maybe if we took a couple of days to see how we proceeded, that that would probably be one way of dealing with the considerable volume of material that is going to be facing this committee. I think it is worthwhile considering.

Mr. Mackenzie: I want to make one point and let you know that there is a procedural motion that I want to move before we get into even opening statements, but I think that tonight is a little difficult to set the hard and fast time limits because the people coming here tonight certainly did not have that impression. It is something I do not doubt we are going to have to do, although there is going to have to be some leeway with major presentations in the days to come. But tonight it is a little difficult.

Mr. Piché: I am a little concerned and worried about opening remarks. We had that for the last three weeks in the House where we had wall to wall opening remarks and remarks.

We have now come to listen to others, not ourselves. If you are going to have opening remarks then we are listening to the same thing that we have been listening to for the last three weeks and we will be repeating ourselves. I say let us move on now and listen to the people who are here to talk to us. I know that everybody in the committee agrees with me, as they usually do.

Hon. F. S. Miller: My point would be to that, Mr. Chairman, when we went through the sales tax committee hearings we had much the same problem--more delegations than time to be heard adequately. With 90-odd delegations I would sense you have the same kind of groupings that were present in the sales tax group. You could have had 35 restaurants at that time. You may have 20 trustee groups or teachers' groups.

Is there any possibility of grouping some of those together so that a class of response has more time, rather than hearing the same thing 30 times from different groups?

Mr. Chairman: Mr. Treasurer, I might point out we already have done that on three occasions. We have done some immediate grouping as much as we could in a preliminary way.

That being all the discussion I see a disagreement. I guess we will let it work its way out. Mr. Mackenzie, you say you have something to state?

Mr. Mackenzie: I wish to move that this committee request the Minister of Labour (Mr. Ramsay) to appear before the committee during the course of the hearings to deal with the whole question of how this legislation will affect the future of collective bargaining in Ontario.

Mr. Chairman: Mr. Mackenzie, the chair is going to rule that that is out of order at this point. That motion may be in order placed again at the end of the public hearings, but the House has authorized us to sit to hear public hearings. They have set out the times and I am ruling that is out of order. I can be challenged.

My ruling is based on the wording of the motion that came from the House to us which said we will hold public hearings.

Mr. Martel: Mr. Chairman, before you allow yourself to get into a lengthy hassle--

Mr. Chairman: Mr. Martel, I have ruled. You can only challenge--

Mr. Martel: I am speaking on a point of order. My point of order is that you come in here and, just out of the clear blue, arbitrarily rule something out of order that isn't out of order. There is nothing preventing an amendment or resolution or motion being presented at this time and for you to arbitrarily rule it out of order is simply irresponsible.

If you do not want to deal with it, you might want to stand it down and the committee can dicker away with it tomorrow when the proceedings are not going on, but for you to come in here and arbitrarily rule this out of order-- I think the committee could that hold over in abeyance and have an emergency meeting of this committee when the delegations are not here to prevent a hassle which will take time.

I think your ruling is out of order. I do not think you have a precedent to stand on to rule it out of order and I would ask that you consider standing it down and calling a meeting tomorrow some time when delegations are not here rather than have a hassle here this evening.

Mr. Wrye: As I understand the motion from my friend from Hamilton East, the motion simply asks this committee to request that the minister appear during the course of the hearings, not at the end--that the committee, for its own information, requests that the minister appear to discuss certain matters with it during the course of the public hearings. As such I am really at a loss to understand why you are ruling it out of order.

It seems to me to that extent within the time frames you have set out the committee can, at least, order that part of its business.

Hon. F. S. Miller: Perhaps we can resolve it with this point of view. I understand this bill--although it is in my name--covers a number of ministers and ministries and it was our hope that you would not have me as the only minister here during the session.

Mr. Nixon: We would like you here.

Hon. F. S. Miller: I understand that, Bob. It is nice to be wanted.

The fact is, the Minister of Consumer and Commercial Relations (Mr. Elgie) has very important responsibilities. There will be times when my parliamentary assistant will be here, particularly if cabinet needs me for budgetary matters, and there will be times when I would suspect, with your concurrence, another minister such as the Minister of Labour could represent the crown. I sense you will solve that problem without having a fight about it. We are quite happy to work with you on that.

Mr. Chairman: Is that satisfactory, Mr. Mackenzie?

Mr. Mackenzie: As long as it is understood that it is not just to have Mr. Ramsay come in and sit in on the hearings as Mr. Miller or some of the other ministers may do. What we want is to get him to give his interpretation of the effect this is going to have on collective bargaining in Ontario. It is certainly one of the most vital elements of this bill.

Mr. Chairman: Are you withdrawing your motion?

8:20 p.m.

Mr. Mackenzie: No, I think the motion makes sense the way it is.

Mr. Chairman: Fine. You are not withdrawing your motion. The chair rules that a motion is out of order. You may challenge--

Mr. Cooke: Will you explain on what basis your ruling is made?

Mr. Chairman: Yes, certainly.

Mr. Cooke: What rule are you referring to?

Mr. Chairman: Order. It is in the standing orders that the committee is subject to the rules of the House. The House has authorized us by ruling we are not open to a motion at this point. We are here for public hearings and I am interpreting public hearings as listening to the public, not a motion from the politicians.

Interjection.

Mr. Chairman: No. There is no further discussion. I have so ruled. You can challenge my ruling. That is all that is left and the vote must take place immediately.

Mr. Cooke: You are setting the tenor of this committee.

Mr. Chairman: Unless you wish to challenge that, I would like to call on the first group.

Mr. Mackenzie: I am sorry, Mr. Chairman, but I have to challenge your ruling.

Mr. Chairman: Yes. Fine. Thank you.

All those in favour of upholding the chair's ruling, please raise your hands. Nine.

All those in opposed, raise your hands. Two.

The challenge fails. The chair's ruling is upheld. Thank you.

Mr. Martel: Did we start rewriting the rules here, Mr. Chairman? I just want to ask you a question. Are you rewriting the rules?

Mr. Chairman: May we have the opening statement from the Liberals, please?

Mr. Wrye: Mr. Chairman, members of the committee and ladies and gentlemen, as we move into committee to discuss the merits of the government's restraint program, I am serving notice tonight that my Liberal colleagues and I intend to move a series of amendments aimed at lending equity to this meagre first step towards economic recovery in Ontario.

Bill 179, as it stands, is only a small step towards the recovery that we all desire, a kind of five per cent solution, you might say. We believe that more can be done. In fact, we believe that more must be done if we are to place Canada's most populous, industrious province back in the forefront in world markets.

Obviously the greatest single deficiency in the government's restraint program is the lack of a job creation component. There is nothing to stimulate investment or to promote economic renewal.

Mr. Chairman: Gentlemen, may we have some attention for Mr. Wrye? Thank you.

Mr. Wrye: It is a halting effort to reverse the tremendous decline in Ontario's economic fortunes which we have experienced ever since March 1981.

Most disturbing to the Ontario Liberal Party is the failure of the program to deal equitably with all members of our society in limiting wage increases and the escalation of prices. For this reason we will be moving a series of amendments which we hope will improve the effect of this bill and lengthen to a stride the very small step towards recovery.

The objectives of these amendments are: to include the Ontario health insurance plan premiums and doctors' fees in the program; to improve the inadequate provisions for supplementary

increases to the lowest paid employees; to remove those measures which unfairly act to reduce pensions for those now nearing retirement; to allow for the right to strike or to seek arbitration over noncompensation issues; to similarly allow for the right to strike or to seek arbitration for all unsettled 1981 contracts; to allow for equal treatment of merit increases for all employees; to ensure that union and nonunion workers are treated alike in determining increases under the program; to place some teeth in the price side of the bill by ensuring that cost pass-throughs and profit increases are not automatic and to remove the secrecy and ministerial discretion inherent in the present program by providing mechanisms for the public to refer increases to the board; to allow for appeals; to guarantee the right to a hearing of any affected party; and to ensure criteria for judging price increases and written reasons for decisions to be publicly available.

It is the view of the Ontario Liberal Party that the pillar of restraint must be matched by the pillar of equity. We believe that the changes we will propose, and others that will emerge in the public hearings in the following days, will provide that essential fairness which is now so missing from the legislation.

Mr. Chairman: Thank you, Mr. Wrye. Mr. Mackenzie.

Mr. Mackenzie: Mr. Chairman, we feel that the bill which is before us is one of the most unfair, dangerous and mean pieces of legislation that Ontario has seen. We are glad that it is out to hearing so there can be presentations from the groups who are being directly affected. It very definitely adversely affects one segment of our population. It is a bill that probably should never see the light of day and is a tragedy for Ontario.

We find it difficult to know how we are going to amend--although we will certainly look at amendments--a bill that is as bad as this particular bill. We also feel that a committee ruling or a ruling of the chairman made right at the beginning of the committee hearings that this committee cannot move a motion to hear another witness in a public hearing is an unprecedented ruling and does not bode well for the future of these hearings.

Mr. Chairman: I believe the minister has no opening statement or remarks to make. May we have the first group?

Gentlemen, for the sake of the committee, would you please, from your agenda, strike--is this amended?

Clerk of the Committee: Yes.

Mr. Chairman: Do I have the most recent amended one?

Clerk of the Committee: Yes.

Mr. Chairman: There are exhibits from each of the witnesses and each of the groups tonight. Might we have the Etobicoke Women Teachers' Association, the Borough of York Women Teachers' Association and the London Women Teachers' Association along those seats, if you would, please?

Miss Corbett: Why are we going together?

Mr. Chairman: For the sake of time. Because of the time element, because each of the groups are members of the Women Teachers' Association--

Mr. Martin: Not quite.

Miss Corbett: We are different associations and we were all given different appointments, Mr. Chairman. We have prepared our presentations accordingly. Our presentation from Etobicoke is from both the women and the men teachers.

Mr. Chairman: Fine. Can you estimate the time each of you has?

Miss Corbett: I believe that we could handle it in 15 minutes, having heard the discussion.

Mr. Chairman: All of you or each?

Miss Corbett: No. I am speaking for the Etobicoke delegation.

Mr. Chairman: I am sorry, there really is not that kind of time plus questioning.

Miss Corbett: We were given a 15-minute appointment, Mr. Chairman, and we have made our presentation accordingly, and so have both our other teaching groups.

Mr. Brandt: Questions will have to go. It is very simple.

Mr. Chairman: Fine.

Mr. Brandt: We will have to move on with the other groups.

Mr. Chairman: Thank you. You do realize that the people later than you this evening will suffer.

Miss Corbett: Our appointment was for 7:30.

Mr. Chairman: Will the first group then--

Interjection.

Mr. Brandt: We do not need that all through these hearings. Quite frankly, if you want to make the hearings effective, those little innuendoes--

Mr. Mackenzie: You can do all the preaching you want.

Mr. Brandt: You did all the preaching so far.

Mr. Chairman: Order, gentlemen.

Interjections.

Mr. Chairman: Gentlemen. I am sorry, am I hearing--

Mr. Mackenzie: Are you going to challenge and throw everybody out, Mr. Chairman?

Mr. Chairman: Mr. Mackenzie, I do not need your comments. Order. When order is--

Interjections.

Mr. Chairman: No. Ladies and gentlemen, there is a rule both in the House-- Gentlemen. There is a rule in committee, the same as in the House, that the audience cannot react noisily to the goings-on, even though the members--Mr. Renwick, please, I am explaining--

Mr. Renwick: Do not make up the rules as you go along.

Mr. Mackenzie: Why do you not get on with it?

Mr. Renwick: Let us get on with it.

Mr. Mackenzie: Get the Etobicoke teachers on.

Mr. Chairman: Gentlemen. Ladies and gentlemen, I am going to finish my statement and I am not going to go for intimidation on the first evening.

People will please not react to the--no audience reaction, please. Thank you.

Are all of you from the Etobicoke Women Teachers' Association?

Ms. Bruce: I am Mary Bruce. I am the president of the Etobicoke Women Teachers' Association. This is Bill Martin, who is the president of the Ontario Public School Men Teachers' Association, District Etobicoke, and Mrs. Judy Anderson, who is a member of my association.

We would like to express our pleasure at being able to come to this hearing and present our point of view. We realize your time is very limited so we will try to be succinct.

You have not had an opportunity to read our brief because we received an appointment on such short notice. I will read quickly through it, make a few comments and attempt to finish in 15 minutes.

8:30 p.m.

We are teachers, not economists. We do not therefore pretend to understand all the probable effects this piece of legislation will have on the Canadian or even the Ontario economy. Even so, we have not heard economists supporting this kind of measure as an effective way of curbing inflation. Indeed, John Crispo of the University of Toronto School of Economics, has called wage

controls to combat inflation "the grossest form of political fraud."

It is our belief that wage controls alone will do little to correct the economic woes that face our country today. To be selective in applying these restraints to only the public sector further limits their usefulness. Any mandatory controls should be fairly applied to all and should include such factors as prices, profit margins, dividends and professional incomes, as well as salaries. We were pleased to hear some of these sentiments echoed in the opening remarks.

We did not, however, come before this committee solely to protest the unfairness of placing controls on public sector wages, which account for less than 0.5 per cent of the gross provincial product. We would also like to comment on some of the specific provisions of the bill and how they will affect the lives of many Etobicoke teachers during and after the period of restraint.

Mr. Davis has stated that one of the objectives of this legislation is job creation. We fail to see how this is to be accomplished. Unless employers are directed to use the moneys saved by the wage restraints to hire additional staff, how will wage controls create jobs? In our current set of negotiations, the board has refused, even with the impending controls, to consider adjustments to the present staffing formula.

Teachers have become, in recent years, as prone to unemployment as any other group. Approximately one fifth of the Etobicoke elementary teaching staff has been declared surplus over the past seven years. If teachers are to be restricted in salary, the funds budgeted for salary increases should be directed by this bill to the hiring of much-needed additional staff. At present, we represent about 1,200 teachers. Over 350 teachers have been declared surplus during the period of declining enrolment.

A further general effect of this proposed bill places some groups under restriction for not one year, but two. Why is this necessary? Why should such an arbitrary factor--and that seems to be the only factor--as the expiration date of one's collective agreement be used to determine whether a bargaining group is restricted for one or two years?

The government speaks of a one-year restraint period--it is in all the papers. This is not the case for teachers in Metropolitan Toronto. The length of the control period should be the same for all groups, as should the severity of the restraint. This proposed legislation removes any avenue for resolution of the "up to nine per cent" question in the additional year. With no access even to arbitration, groups whose contracts have expired may be faced with a double penalty.

If we compare two boards which settled prior to the restraints--Peel at 13 per cent and York region at 10.9 per cent--with boards in the Metropolitan Toronto, the end rates will show great variation when the restraints are lifted. Are teachers in Metro somehow expected to live more cheaply than those in Peel and York? Or will Metro taxpayers be faced with an enormous

increase in the future in order to equalize salaries of people who do similar jobs, have similar qualifications and similar living expenses?

Qualifications present a further problem with this bill--discrimination against teachers in the top salary range. There are only a few of them; it is not a large group we are addressing here. Teachers have always been encouraged to upgrade qualifications at their own expense of time and money throughout their careers. Teachers who have spent the last four summers doing exactly that and who will complete their category requirements within the next year will be denied the placement they rightfully expect. They will be limited to the same salary as their colleagues who did not upgrade. How can this be regarded as just?

I am going to stop here and ask Judy Anderson, a member of my association who is in this exact situation, to take a couple of minutes to explain how it affects her personally.

Mrs. Anderson: I am glad to be here because I have been in touch with my Conservative MPP. I have heard nothing from him, so it is nice to be able to speak to someone who is going to listen and perhaps respond.

I have been a docile, Conservative-voting school teacher for years, but Bill 179 is making me change my tune. I am a teacher who is now in category 6 and I am qualifying myself this year for category 7. I took a course last summer, I am taking a course this winter and I am taking a course next summer. It is costing me \$1,400 in fees, texts and day care expenses, and that is unsubsidized.

For that category change I am supposed to, under the terms of my contract, receive remuneration. Because of Bill 179, I will not receive remuneration for that. A category 6 teacher who takes no courses, who spends no extra time, no extra money this year, will receive the same remuneration as I do next year. I do not feel it is fair and I am angry.

Ms. Bruce: Thank you, Judy. A further discriminatory effect of this bill, and perhaps the most insensitive one of all, is the devaluation of pensions of teachers near retirement, especially in areas under the two-year control period.

Pensions are to be calculated on the average of the best five years of service. This is under negotiation with the provincial government and both sides have agreed to go from a seven-year calculation to a five-year calculation. The restraints will be lifted for the rest of Ontario public servants. Those retiring in the near future will be faced with a lowered income for the rest of their lives. Surely this must be regarded as unduly punitive.

The final aspect of this bill which we ask the committee to reconsider is the section dealing with nonmonetary items during the restraint period. The wording of the proposed legislation is permissive--the parties may agree to changes in noncompensation

areas. There appears to be no onus on either side to even discuss issues of this nature.

Should such discussions--if they happen at all--fail to resolve the issue, there is no mechanism for achieving settlement, not even arbitration. I do not understand how that has any effect on the economy and why that kind of provision is included in this bill. Collective bargaining becomes collective begging. We hope the committee will propose amendments which will allow free collective bargaining to continue, at least on items not covered by the restraints.

In summary, Etobicoke teachers strongly oppose any economic measure which is limited to controlling wages of selected individuals, many of whom are already among the lowest paid of workers. If controls are to be imposed, they should at least be fairly applied to all, and they must be applied to prices as well as to incomes.

Bill Martin, of the Etobicoke district of the Ontario Public School Teachers' Federation would like to make some remarks.

Mr. Martin: My remarks will be directed directly to the collective bargaining process. I will be referring to a memo that I received from our provincial office today.

Virtually all public employees in Canada enjoy the right to collective bargaining. In Ontario, teacher and school board negotiations have operated successfully under the School Boards and Teachers Collective Negotiations Act. The Minister of Education (Miss Stephenson) herself has stated very clearly that in our society there are basic rights to collective bargaining and there is no question of compromising those rights in the case of teachers.

By introducing the inflation restraint bill, this government has singled out public sector employees for wage controls and stripped us of our right to bargain collectively. Section 15 of Bill 179 states that the parties to a collective agreement may, by agreement, amend any terms and conditions of the employment other than those related to compensation. This clearly shows that the balance of power in negotiations has been placed on the side of the employer. If the board does not wish to discuss the issues, the employees have no legal recourse.

With these types of provisions, fair collective bargaining in the public sector in Ontario has been completely destroyed. Public sector employees in Ontario can have no guarantee and, in fact, should have no expectation of any sort of equitable treatment under this legislation.

Thirty-nine areas, representing over 50 per cent of the elementary teachers in Ontario, had not reached settlement before the initial control date. This means that for 1982-83 those unsettled areas will receive increases anywhere from zero to nine per cent, while the average increase for those areas which are settled is 11.2 per cent. The legislation therefore completely

destroys the historical relationship among teachers and school board collective agreements.

As was previously mentioned in our brief, by removing our right to even arbitration, the only recourse teacher groups have is to appeal to the Inflation Restraint Board on disputed items. A board that is responsible to make decisions without providing reasons for those decisions is totally unjust. The removal of all collective bargaining rights from 500,000 employees and the consignment of their economic fate to an arbitrary board has done more to destroy both individual and collective rights than any other legislation enacted by this government.

Ms. Bruce: If there are questions, we will attempt to answer them.

Mr. Wrye: Thank you, Mr. Chairman. I have a few brief questions based on your brief. Let me start where you completed your remarks.

Based on the bargaining you have done in the past, if the right to strike or the right to go to arbitration is not restored through this bill, would it be your view that the collective bargaining will not be very effective, that it will simply add to a long list of nonmonetary issues, and that when the restraint period comes off on the nonmonetary side you will face very difficult bargaining because you will be so far behind?

8:40 p.m.

Ms. Bruce: That is correct. We believe we will probably never catch up what we lose on the nonmonetary items because our focus will have to follow on monetary items when the restraints are over.

Mr. Wrye: As I understand it, you would be affected in two ways in terms of merit increases with this current bill in place. First, you would be affected through years of experience and second, as Ms. Anderson commented, through increased qualifications through courses.

Ms. Bruce: That is correct.

Mr. Wrye: What is your understanding of what would happen at the end of this bill? Would you suddenly jump it or--

Ms. Bruce: It boggles the mind. We will have teachers being paid all different salaries for the same kinds of qualification and experience. I do not know how we will cost the next collective agreement in order to find out where people go. Do we then try to put people back into line or do we leave them hanging out all over the place? It is very confusing.

Mr. Wrye: What has been the reaction of the Etobicoke board to the transitional increase which, as you pointed out in your brief on page 3, is up to nine per cent rather than a mandated increase of nine per cent? Have they given any indication

that they are not prepared to give you nine per cent, given the tone that has been set in Metro?

Ms. Bruce: They are still sitting at six per cent, where they were in June. I do not know what will happen when this legislation has been dealt with; whether they will attempt to maintain six per cent or whether they will be willing to go to nine. If they are not willing to go to nine, there is really nothing we can do about it.

Mr. Wrye: One last question if I might: One of your concerns that comes through on the first page and on the last page of the brief is that you might have found it easier to live with an across-the-board income and price policy. You feel that the limiting of the controls to the public sector and to wages as opposed to incomes, plus, I suppose, the weakness of the price restraints, is really your problem. You would have gone across the board.

Ms. Bruce: If government feels it is necessary to have restrictions then we are prepared to live with them, we are not rebels. But we get our insurance bills and they are 24 per cent higher, we get Consumers' Gas and it is 12 per cent higher, we get Ontario Hydro coming in higher, and so on. It is hardly fair.

Mr. Mackenzie: I think the bill is even worse than you realize because you do not even have the right to appeal to the Inflation Restraint Board. You indicated it was the only avenue you had. Even that right is denied you in this legislation.

Mr. Martin: Yes, we realize that. Whatever they say, there is no need to answer for their decision.

Ms. Bruce: It is our understanding that they would not rule on nonmonetary items at all. For some teacher groups--not particularly for Etobicoke at the moment--the item of seniority is on the table for negotiation and it means not only how much you get paid but whether you have a job.

Mr. Mackenzie: I simply wanted you to understand that you do not even have the right of appeal, period.

Hon. F. S. Miller: There is an appeal to the board, I think that should be understood.

Mr. Mackenzie: There is a referral.

Hon. F. S. Miller: Yes, either party may refer to the board, as I understand it, for a decision if it is under nine per cent. The board would then decide.

Mr. Mackenzie: You had better read your own legislation.

Hon. F. S. Miller: That is on the transitional side, of course. That is the only place there is any negotiation.

Mr. Brandt: There is some suggestion in your brief that perhaps the proposed bill is picking on the public sector much

more so than on the private sector. I am sure you are aware, as most of us are, that the major layoffs, salary cutbacks and wages that have been held not at a five per cent increases but in fact in some instances at zero increases, have occurred in the private sector.

Ms. Bruce: It is hard to tell that to the 350 teachers in Etobicoke who lost their jobs.

Mr. Brandt: If I might pursue this for a moment, the number of layoffs that have occurred, I think, has been much more dramatic in the private than the public sector. Would you not think there is perhaps some equity in all of us attempting to pull together during the period when you have a world problem?

Most economists, I think, admit that there is a very serious economic problem facing all of us, all provinces, the entire country, the United States, and in fact the industrialized world, and that something is going to have to be done to pull this whole problem together.

There are many people who have suggested that the private sector has already paid a very significant price, in the auto market and in various other industries; Sudbury is an example, with Inco, and Stelco in Hamilton, and that kind of thing. Do you not feel that there is an obligation, perhaps, on the part of all of us, to find a way to pull ourselves out of the economic recession in a collective sense?

I admit, and I think my colleagues will also, that there is a price you are being asked to pay. You are highlighting this very much in your brief. But do you not think that we have a collective obligation to try to pull together to improve the economic situation in a collective sense?

Ms. Bruce: I do absolutely. I just do not see it happening through this bill.

Mrs. Anderson: It is interesting that you should talk about people being laid off. My husband, who is an architectural draftsman, is now laid off. He has not been working for two months. He is looking very hard for a job.

I am working my butt off and spending \$1,400 to qualify myself for a little more money, and this bill is going to take that away from me. I can tell you, with my husband not working, we need that extra money. I am really annoyed that my hard work and effort is being wiped out and I hope that the committee listens to that.

Mr. Brandt: The Treasurer might be able to supplement this, but that wipe-out you are talking about admittedly is short-term in a time frame which is narrowly focussed.

Mrs. Anderson: My mortgage is coming up and so on.

Mr. Brandt: I appreciate that as well, and I know that

there is a lot of sympathy for a sort of collective indexing so that all of us can keep up with inflation.

Mrs. Anderson: I can tell you that, in the short term, I cannot pay my mortgage, because you are not going to let me have that money that I am owed. My contract tells me that I get that.

I could try that, and say that the honourable member has told me that in the short term it is okay.

Mr. Brandt: The main point I wanted to make is that, when you talk about a wipe-out, there is a temporary focused time frame in which I think the government is suggesting that we have to put the brakes on in order to bring about a somewhat more favourable economic climate in the days ahead.

You may not agree with the philosophy of what we are trying to do or the methodology we are using, but that is part of the principle behind what we are focusing our attention to do.

Mrs. Anderson: Have the honourable members gone through the same kind of restraint?

Hon. F. S. Miller: If I may ask a question: Are you earning over \$35,000 per annum?

Mrs. Anderson: I am in category 6.

Hon. F. S. Miller: Are you earning over \$35,000? I simply wanted to say, if you are under that, you are entitled to it; if you are over, you are not. That is all I wanted to find out.

Mrs. Anderson: My salary is over \$35,000 because I have qualified myself and because I have experience.

Hon. F. S. Miller: I am not arguing that you should not be over that amount. I am just asking, because if you had been under that amount, you would have been entitled to it; if you are over, you are not. We are talking about a specific case, that is all.

Mrs. Anderson: This is a very important point. Because of my seniority and because of my qualifications I am being penalized. A teacher without my qualifications, without my seniority, is not penalized.

Interjections.

Mrs. Anderson: No.

Mr. Nixon: I wanted to pursue it for a moment, because this is an area, Mr. Chairman and Mr. Minister, where I do believe the committee can make some adjustments in the bill. I do not believe it is going to affect that many people, nor will it cost that much money in the overall situation; and it will remove one of the worst burrs of contention.

Mrs. Anderson, would you explain to me, as someone who is

telling me it is 20 courses to qualify: is it in the secondary system that category 6 is a Master of Arts in some communities? You have a bachelor's degree?

Mrs. Anderson: I have a BA and I have taken ministry courses.

Mr. Nixon: And you have a number of years of experience, let us say a good average of years of experience; so that the merit you would earn normally, without this bill, would raise you above \$35,000?

Mrs. Anderson: That is correct.

Mr. Nixon: What sort of a group in Etobicoke would you be representing? A group of 10?

Mrs. Anderson: There would not be that many of us.

Mr. Nixon: This is something that many teachers' groups have brought to our attention directly in our constituency situations and by mail. It seems to me that, since there is obviously some inequity, it is the sort of thing that the bill might correct without destroying the whole aim of it. I think it is something that we might come back to in clause-by-clause consideration.

Hon. F. S. Miller: That is why I questioned if the figure of \$35,000 prevailed. We were trying very hard to keep those under \$35,000 entitled to the merit increases or other changes to which they were entitled if they were looking for increases in their qualifications and seniority.

We have been criticized pretty severely for giving the well-to-do more than we should at times. I think that is a fair statement. We have differentiated with the feds by having a relatively large increase at the low end, and then five per cent above that.

Mrs. Anderson: I am willing to go along with the five per cent. I agree with it for me, but I am also qualifying myself. I am taking three courses. I am expending all kinds of time and effort. I am spending \$1,400 of my own money. I could barely get that back next year.

Hon. F. S. Miller: It may come as a shock to you that some of us here were teachers, including myself.

Mrs. Anderson: That is a shock.

Ms. Bruce: I would hazard a guess, if I may, that maybe 15 teachers in Etobicoke would be caught in that situation.

Mr. Piché: Mrs. Anderson, I am very curious as to how much money you make. You said you make over \$35,000. How much money do you make as a teacher?

Mrs. Anderson: I do not make over \$35,000 at this point. My category has changed.

Mr. Piché: What are your wages today?

Mrs. Anderson: They are \$34,000.

Mr. Piché: Unfortunately your husband is not working right now, but at one time he was. Between the two of you, you must have been making \$60,000 or \$70,000?

Mrs. Anderson: No, we were not making that much.

Mr. Piché: Well, very close.

We have a problem in this country, and we have a problem in this province. We are looking for five per cent for people like you who are making a lot of money.

I am from northern Ontario. I represent a lot of people who are making \$15,000 and \$20,000 and I would think they are ready to accept this five per cent. With your kind of money--

Mrs. Anderson: I am ready to accept five per cent.

Mr. Piché: Yes, but you are giving us an argument. All we are asking, as far as this government is concerned, is that for 12 months we ask people to work together. You are not even giving us a chance to work together.

Mrs. Anderson: I am just saying that I am qualifying myself. My contract says that if I get the qualifications I receive remuneration as a teacher.

In my category, a person who does not do anything this year, who does not take any courses, who spends no money, will receive exactly the same increment as I do. I am just saying it is not fair, and I do not believe it is. That is all.

Hon. F. S. Miller: Let me ask only one thing in parting. You made a reference that we would not normally expect at a committee, and that was to party affiliation.

Mr. Elston: Maybe that was to get on your back.

Hon. F. S. Miller: No, it was not that at all. I guess what I have learned as a minister of the crown is that you can do many things right, and no one remembers; you do one wrong, and they hate you. Is that really a fair way to judge governments?

Mrs. Anderson: I think it is.

Hon. F. S. Miller: I do not, as a person who has been there, because that is exactly where we get spineless government.

Mrs. Anderson: I guess I have been pretty naive over the years, and something like this has made me mad enough. If you had not made me mad enough, maybe I would not be here.

Hon. F. S. Miller: I remember when I was in the Ministry of Health I made a number of people angry.

Mr. Elston: The Treasurer went shopping for eggs one time in Durham, I recall.

Hon. F. S. Miller: I did not have to shop for them, they came my way.

Mr. Elston: There is one item that I think which could be made a little bit clearer for us while we are going through this bill. That is, in your particular situation, Mrs. Anderson, you are at \$34,000 per annum now, and I only refer to that because you mentioned it. Your situation now is that you have been advised, I understand, or have somehow found out, that you will only get \$34,000 plus five per cent?

Mrs. Anderson: Yes.

Mr. Elston: Can the Treasurer tell us if there was any reason? First of all, he has told us they might consider this merit matter, but is there any reason why a person cannot accept the merit up to the level of \$35,000?

Hon. F. S. Miller: What do you mean, "can accept"?

Mr. Elston: She qualifies for a different ceiling.

Hon. F. S. Miller: I think it is when you pass the categories. I would have to look into the law itself. There are certain raises of salary that are defined within the negotiations which are the determinants, rather than the individual's specific salary.

Mr. Elston: Is there some way that you can tell us whether you will be making this cutoff level clearer?

Hon. F. S. Miller: I must desist this time, Murray, and I would prefer to listen rather than say something which I could not undo later. That is purpose of the hearing.

Mr. Elston: Okay. The second question I have is in relation to this. Ms. Anderson, does your \$34,000 include other pay benefits, other monetary items, or is that your base?

Mrs. Anderson: No, that is the ceiling, that is the most that I get.

Mr. Elston: That is the cash part of it then?

Mrs. Anderson: I am, in effect, being frozen at that.

Mr. Elston: My understanding of the bill is that it refers to monetary items. Can the Treasurer tell us whether he means the cash received plus any benefits?

Hon. F. S. Miller: It was my understanding, subject to

the rereading of the bill, that it was the cash part we were talking about, with those limits.

Mr. Elston: Are you going to make that clear?

Hon. F. S. Miller: By the time we get to clause by clause it had better be sure or we will not have left the bill in a state that was definable.

Mr. Brandt: Could I ask a supplementary?

Mr. Chairman: No, I'm sorry.

Mr. Brandt: Is that a ruling?

Mr. Chairman: I believe it had better be a ruling. We are way over time. In fairness to the other people waiting, we will take no supplementaries. Mr. Wildman.

Mr. Wildman: I just have one question. Inflation is running at, say, 10 or 11 per cent. The so-called five per cent increase is, in fact, a five or six per cent decrease. Would you not agree?

Ms. Bruce: That's how we view it. If the rest of Canada is going to take that same kind of measure and accept it, then we are prepared to.

Hon. F. S. Miller: It has done so.

Mr. Cooke: Just a very brief question. I am not sure that I understand the logic in your presentation and I want you to just clear it up for me.

You start off by quoting some economists and questioning what the purpose of this program will be and how many jobs it will create and whether it will, in fact, turn the economy around. Then at the end in your comments you say you are willing to take a five per cent increase and stick to the wage controls.

I'm not sure of the logic of it, because at one point you say it won't do the economy any good, and I agree with you. On the other hand you are willing to take it. Either you are masochistic or--

Ms. Bruce: As someone once said, when it's inevitable, lay back and enjoy it.

Mr. Chairman: Are you finished, Mr. Cooke?

Ms. Bruce: I don't know. Did that answer your question?

Mr. Cooke: Not really.

Mr. Chairman: Fine, thank you very much. Gentlemen, can I point out we are almost half an hour late. People at the end are going to get squeezed in.

The next group is the association of women teachers from the borough of York. Victoria Corbett is the president.

Mr. Nixon: On a point of order while the group is taking their place, Mr. Chairman. I understood when the arrangement was made to hold this hearing that we would have delegations only with written briefs that would be then provided to the members of the committee. Obviously, on short notice we haven't had a chance to read the briefs that were provided by the delegation from Etobicoke, so it doesn't make any difference. I don't think the men teachers' brief was provided to us, was it?

Mr. Chairman: No, we were not aware until Ms. Bruce mentioned that the man was from the men teachers' federation that he was even coming in as part of the women teachers' federation.

Mr. Nixon: We were all delighted to hear him, but I think in the future we are going to have to be pretty tough and be somewhat restrictive.

Mr. Chairman: Fine, thank you, well taken. Mrs. Corbett.

Miss Corbett: Miss.

Mr. Chairman: Thank you.

Miss Corbett: Thank you, Mr. Chairman. I am Victoria Corbett, and I am the president and the negotiator for the Borough of York Women Teachers' Association. This is the second time I have appeared in the last month before a committee of this government. The last time was to deal with Bill 127.

I am not a particularly naive person politically, but when I attended those hearings--and I attended several of them--I was angered and very dismayed to see the elected representatives of the people who supposedly serve the people sneering at and being openly contemptuous of those people. The Minister of Education (Miss Stephenson) frequently made critical remarks, attempted to embarrass deputants and interrupted them. The committee members themselves were openly indifferent, bored and frequently absent.

In spite of the experience of watching those hearings, I still have some belief in government. Here I am again before a government committee, appropriately called the justice committee, because the issue I would like to raise before you tonight is that of justice. What is happening to justice and democracy in this province?

We believe the right to bargain freely--and I emphasize the term "freely"--is one of the fundamental, most critical prerogatives in a democratic society. It is based on the right of association that was recently enshrined in the Canadian Charter of Rights.

We see free collective bargaining as one of the legal and political foundations of our society and we believe Bill 179 knocks those foundations apart and will have consequences that will far exceed the two years of controls. Yes, for the teachers

that I represent, we will have two years of controls. For the first time in my memory, teachers who have equal qualifications and equal years of experience will be paid differently. Bill 179 removes the commitment to pay equally for work of equal value.

9 p.m.

The legislation allows for the negotiation of nonmonetary items. That is a farce. My board of education has already stated publicly that there are no nonmonetary items to negotiate. There are no nonmonetary items in our collective agreement. With absolutely no recourse to arbitration or any kind of sanction, we have absolutely no bargaining power. To suggest that there is any bargaining ability left is misleading.

We are particularly horrified to see the vast, almost unprecedented and totally dictatorial powers given to the Inflation Restraint Board, the board created to police--and I use that term advisedly--the legislation. This board will have the powers of the Ontario Supreme Court. Decisions can be made on local agreements, but the board has the right not to hold any hearing on any matter referred to it. It has the right to make any order, decision or determination without giving any reason in writing or otherwise.

It has the right to deny any increase in the transitional period if a dispute is referred to it. This board can even suspend the act itself. There are no grounds for decision making, no criteria are given and there is no basis in law.

Should arbitration, due process and the law be removed and left to one person? How can reasonable people be expected to support that kind of action that eliminates such basic civil liberties?

We say to you that there is no justification, moral or economic, for such damaging legislation. The statistics published by Labour Canada show that wage settlements in the public sector have fallen for several years far behind the price increases as measured by the consumer price index.

It is interesting that our trustees recently commissioned a study because they thought the results of the study were going to be excellent from their point of view. The report was commissioned and written by Dr. Auld, of Guelph University's department of economics. Dr. Auld, an independent person, found that teacher wage settlements have fallen short of wage gains in the Ontario private sector. Dr. Auld also found that the school board settlements in Ontario fell behind those in the rest of Canada.

We know that this legislation will not create one more job in Ontario. We suffer for the people who are going to face a long winter of unemployment, but because we have jobs we will not accept the responsibility for unemployment. That is clearly a government responsibility.

It is a disgrace that some of the civil servants in this province are among the lowest paid people in this province. It is

a disgrace that this government would limit the wages of those people who earn less than \$15,000 a year, because while their wages are limited, house prices, rent prices, food prices and clothing prices are all going to increase. Those people are going to have to feed, clothe and house their families.

We find it very interesting to see the type of person who supports wage controls. How dare a man like Ian Sinclair, who heads up the private restraint force and who is paid \$556,000 a year, tell someone who is earning less than \$15,000 a year that their wages must be restrained. How dare this government support such specious reasoning.

Premier Davis has said that in politics one deals with perceptions. This government has no answer to the problems of unemployment or inflation, yet it wants to be perceived as having the answers. Therefore, in a most cynical and callous way it creates an illusion of overpaid civil service and then proceeds to make the public sector the scapegoat.

The teachers I represent believe that in a truly democratic system, even in difficult times, fundamental rights will be preserved. We urge that you withdraw this legislation.

I also have here 300 signatures--

Mr. Chairman: Excuse me, madam.

Miss Corbett: --of the members in my borough.

Mr. Chairman: Ladies and gentlemen, I'm sorry, it can't continue. It has to stop, please. Mr. Elston.

Mr. Elston: I just have a few quick questions. How many people are there in your federation?

Miss Corbett: Four hundred.

Mr. Elston: Four hundred. How many of the people would be affected similarly as Mrs. Anderson of the previous--

Miss Corbett: I don't know. I don't want to make a guess and that is not one of the strong points I am making. I am saying that this is an antidemocratic piece of legislation that removes all rights to free collective bargaining and that is one of my major concerns.

Mr. Elston: In terms of your collective bargaining, the board has actually said to you that there will be no items to be negotiated at all?

Miss Corbett: At the Bill 127 hearings, the board stated that there are no nonmonetary items to bargain with because there is nothing that is a nonmonetary item in the collective agreement. We were involved in bargaining all through the month of May and once Bill 127 was introduced, bargaining stopped. We are still without a collective agreement.

Mr. Elston: Bill 127?

Miss Corbett: Yes, pending results of its settlement, and this is just another nail in the coffin.

Mr. Elston: Would you prefer that this bill provide for the arbitration process as a bare minimum with respect to all those items not covered by--

Miss Corbett: No, I would not support that. I would support its complete withdrawal or, if we have to have some kind of restraint, it should treat all the citizens in Ontario equally and apply it across the board, and restrain the prices as well.

Mr. Elston: Would you be in favour of providing those people at the \$15,000 level, for instance, with a larger figure than those at a higher level, or would you say five per cent for everyone?

Miss Corbett: No, I believe there is no reason to limit wages. That is a fundamental belief that we hold. There is nothing good in it and changing it in a small way is not going to change the major intent.

Ms. Bryden: Miss Corbett, you mentioned there would be a denial of equal pay for work of equal value under this restraint program and that different people would be paid different amounts for the same work. How do you see this denial of equal pay for work of equal value happening?

Miss Corbett: Well, the person who spoke previously from Etobicoke outlined that. If you happen to be earning the magic \$35,000 mark, you are going to get a basic increase, and if you happen to change category by having increased your qualifications, you are not going to get that increment or category change if it puts you over the \$35,000.

So we are going to have people on the grid who have the same years of experience and the same qualifications, but they will be paid differently.

Ms. Bryden: Also, the operation of the percentage principle as we all know, benefits the higher paid more than the lower paid. Are there more male teachers in the higher paid categories and therefore will a gap between men and women develop?

Miss Corbett: It is a point of particular pride that in my borough the women are more qualified than the men, but that is my own private bias I guess. Generally speaking across Ontario, I could not say that, but I will tell you that the average salary of a woman teacher in Ontario is less than \$24,000.

Ms. Bryden: One final question. You say there will be no nonmonetary items to be negotiated and therefore collective bargaining is really abolished. Nonmonetary items such as health and safety and protection for people in the classroom perhaps affect women more than men in some cases. For instance, there is the question of whether a woman should be excused from a class if

there is a case of German measles. Do you feel that is a real danger under this legislation?

Miss Corbett: I am very pleased that you asked me that, because teachers are not covered by the Occupational Health and Safety Act. In our own area we have been trying to negotiate a safe working conditions clause. The board has flatly refused to entertain it because they see it as having a major cost factor. They are willing to remove asbestos from the schools but nothing else.

They have stated quite clearly that they will not entertain such a clause in the collective agreement. Safe working conditions are too expensive.

Mr. Wrye: Miss Corbett, I gather that one of your problems in negotiating with the borough board has been the term nonmonetary as opposed to noncompensation and that the board is using it in its widest regard in saying that everything will cost money. If they hire new teachers for special education, if they move to make for a safer work place or whatever, that is a monetary issue. Has that been their attitude?

9:10 p.m.

Miss Corbett: The board has said that even if you strike a joint board-teacher committee, that committee has a cost factor because secretarial services will have to be provided, and the time of the people who are involved on the committee costs money as well. There is nothing that has a nonmonetary value attached to it.

Mr. Wrye: Would you not agree that that could be overcome if this legislation were amended to talk about a compensation package? Then everything that could be negotiated would be over and above the compensation package--

Miss Corbett: There is no obligation in this legislation for the board to negotiate with us. There is no place in the legislation that says the board shall negotiate with you. Even Bill 127, which is now overriding Bill 100, says the board may negotiate with you. There is nothing that says it has to. It has not given anything freely in the past and with this legislation I do not see it giving anything freely in the future.

Mr. Wrye: Okay, if you will bear with me for a second, with that as step one, step two then is to make the board negotiate. This is a problem which I sense is going to emerge repeatedly through these hearings. Step two would be to renew your right--in your case the right to strike, in other cases, the right to go to arbitration--for all noncompensation issues.

Miss Corbett: The right to go to arbitration, the right to go to any kind of legal sanction must be enshrined regardless of any piece of legislation.

Mr. Wrye: All I am saying is that if you have those two in place, does the board now begin to have to negotiate on

noncompensation matters in your opinion? If not, why not?

Miss Corbett: I would have to see the wording that would guarantee it. I do not think I can make that judgement without seeing a proposal and we do not have that type of proposal in front of us. If we still have bargaining ability, perhaps we could bargain, but I would have to see the wording.

Mr. Wrye: You made a reference in your opening remarks to the limiting of the restraint under this program. I asked this of the previous group and I ask it of you. Do you favour a controls program at all?

Miss Corbett: No, I do not. I think I said very clearly that because I have a job does not mean I am responsible for unemployment and I am not going to take the blame for it. The government is not going to shift the blame for unemployment on me by making me feel guilty because I have a job.

Mr. Wrye: Would you change your mind if the government were to announce that it would pour every dollar of the savings back into a job creation program?

Miss Corbett: I might feel somewhat differently if I thought people were going to be employed because of this, but I have not heard that the government is going to create any jobs through this restraint program.

Mr. Wrye: You have not heard correctly. It is something that has been pushed for. Thank you.

Mr. Mackenzie: I just have one question. Do you think--I gather from your brief you do not but I wanted to have it on record--that we should be attempting to amend this piece of legislation, or the fight should be to withdraw the legislation altogether?

Miss Corbett: When I came before the Bill 127 hearings I was really hopeful that that process was going to work. I saw the kind of amendments that came out and I know now that that kind of process does not work. I would say quite categorically that this legislation should be withdrawn, not amended.

Mr. Brandt: I was somewhat disturbed by the opening remarks of the speaker with respect to the perception you had that there was an element of perhaps no interest in Bill 127 hearings. I hope you do not get that same perception here, because speaking for myself, as one member on the government side, I am very interested in hearing ways and means of strengthening or improving Bill 179. I am committed to the principle of the bill but I have an open mind with respect to any amendments that could be proposed to improve the bill, as I am sure other government members and members of the opposition do as well.

My question specifically has to do with the political process and what process you or your particular group went through with respect to the brief you are presenting to us tonight. Could

you give me some indication of the support from the balance of your teachers' organization, or the segment you represent? Was this particular brief circulated to the other teachers in your area? When you come before us, are you certain that all of the teachers are, in fact, in agreement with what you are stating here?

I am not trying to lead you with this. I simply want to know the process you went through to get to this point and the comments that you are making.

Mr. Cooke: Were you consulted before this bill was introduced by your cabinet?

Mr. Brandt: Yes, as a matter of fact we had consultation before this bill--

Mr. Cooke: Now we know who is responsible for it.

Mr. Brandt: Probably more so than we have ever had on a bill.

Mr. Cooke: How about your constituents?

Mr. Brandt: I am not addressing my question to you, I am addressing it to the presenter of this particular brief.

Miss Corbett: I would be very pleased to answer that question in some detail. When this piece of legislation was first introduced into the House I was there and, as a result of that, we had a meeting with our teachers, with good representation. We asked for at least one person per school to come and hear what we had to say and distribute the information. That was the initial process.

I was not given much time in the preparation of this brief. I found out on Thursday night that I would have a 15-minute appointment today and I endeavoured to make sure that this brief accurately represented my members' wishes. We had a special meeting last night so that I could discuss this brief with them. I wrote this brief last night after I met with those people. I said I would appreciate some kind of support and I have given you 300 signatures that were sent in to me today. So I do believe that I am representing my members quite fairly.

Mr. Brandt: I asked the question because--this may come as a surprise to some of the members opposite--I have had private conversations with some teachers who are not taking quite as harsh a stance with respect to their opposition to the bill as perhaps is contained in your brief. That is not to say that they are in agreement in all instances, but there have been some who have indicated that they understand, although they do not necessarily agree with all elements of it, that there is an economic problem today that has to be addressed.

Interjection: It is your problem.

Mr. Brandt: I do not believe that that is correct, but I

think the chairman has indicated that comments from the audience are somewhat out of order so I will not respond to that other than to say--

Interjections.

Mr. Brandt: Could I finish? If I was interrupting you, let me know. I just want to say that there is an economic problem today that we are attempting to address in a fashion with which you may not agree but at least we are trying to do it in as humane a way as we possibly can.

Miss Corbett: I would submit that removing democratic rights is not humane. You cannot solve the economy by removing--

Mr. Brandt: I will tell you the unemployed also pay taxes and your party should recognize that.

Mr. Nixon: I am very impressed with the position taken by Miss Corbett at the bottom of page 2 when she deals with the Inflation Restraint Board. Many people raised this in the second reading debate and certainly others have brought it to our attention directly. This is the first time it has been strongly raised in these hearings.

I would like the witness to give me some further concept of the alternative, assuming that the bill is not going to be withdrawn--I suppose that is always possible--to the arbitrary powers the board has.

I agree, from reading the bill, that it can proceed without hearing, without reason; it can delegate its substantial powers to one member of the board; and there is no appeal. I say that really for the benefit of the Treasurer as well, he knows about that. This is one area where surely this committee is going to have to come to grips with our responsibilities. Even those of us who are supporting the principle of the wage restraint legislation are going to have a great deal of difficulty allowing the bill to go forward without some significant amendment there.

Do you have anything further to add to your comments in that particular area?

Miss Corbett: I do not think I have anything to add to that rather political question. Since I do not support the legislation in totality, I do not support making the restraint board work because I do not want a restraint board.

Mr. Nixon: If I may put it to you, Mr. Chairman, and you may rule me out of order, would this be an appropriate time for the Treasurer to comment?

Mr. Chairman: I think not.

Mr. Nixon: There has to be a time.

Mr. Chairman: On clause by clause.

Mr. Nixon: Surely it is possible, when a position is put as powerfully as it has been put by the lady, surely it would be possible for the Treasurer to respond.

9:20 p.m.

Hon. F. S. Miller: I think, Mr. Nixon, that my answer there would be that we are in day one of six days of hearings. We are going to hear a good many points and responding early is not the purpose of this. It is to list the points and then at clause by clause to synthesize what we hear.

Mr. Nixon: We are hearing that point repeatedly.

Mr. Chairman: Mr. Nixon, and for the sake of the rest, I would like the Treasurer to say as little as possible. Otherwise, we will just get a dialogue between members and the Treasurer and we will bog down the system and not hear from the people.

Mr. Nixon: There is always the possibility that he might amend his views.

Mr. Piché: Miss Corbett, last night you said you had a meeting.

Miss Corbett: Yes.

Mr. Piché: You have 400 members. I know that there are 300 members' names on the petition she presented but there are 400 names she represents tonight. How many people turned out last night with you?

Miss Corbett: We only asked--

Mr. Piché: I am asking this question for maybe your benefit more than the committee's. I, as a member, want to have knowledge of what you are trying to present to this committee so I can deal with it properly, but I will have to go back.

I think that question is important to me, I think it is important to you, and it is important to some of your supporters here. You have a lot of heroes in the crowd here and you are to be congratulated. I wish I had the same thing.

In any event, how many people turned out last night, exactly? Do not forget you are being recorded.

Miss Corbett: Yes, I swear to tell the truth. The meeting that we had last night is called a key teacher meeting because we have one key contact person in each school and those people are generally chosen in that school by their peers. So the meeting we had last night was to ask for one person from each school to come. There were three schools that were not represented and we have 28 schools in the borough of York. We had approximately 40 people at that meeting.

Mr. Piché: Forty people who supported you, no doubt unanimously, on your presentation that you are giving to us today.

Miss Corbett: Yes.

Mr. Piché: Your political leaning, obviously, is not with the Liberals and the Conservatives because you seem to be addressing--

Interjections.

Mr. Chairman: Order. Mr. Piche, I do not think--

Interjections.

Mr. Wrye: Just on a point of order, I rather resent the insinuations in Mr. Piché's comments that would insinuate that we are in favour of Bill 127. We are against it.

Mr. Chairman: That is not really a point of order.

Mr. Piché: Your delivery was very good. I know that you have very strong leaning. I am a little disturbed that you (inaudible) stop Bill 127, you have every right to do that, but tonight is not the night. We are talking about Bill 179. So I look at you and I say you are anti anything that maybe this government or any government is going to do.

Miss Corbett: I am not an anarchist, but this government may well lead me to that position.

Mr. Piché: That is what I was trying to get out of you and I got it out of you. The next questions I have disturb me greatly. I hope you will tell all your friends here unemployment in Ontario and in Canada is not only a government responsibility, it is the responsibility of all of us. I want to ask you the question of how much money you make in a couple of minutes but--

Mr. Mackenzie: Are you going to insult witnesses all night?

Mr. Piché: No, that is not insulting. Do you want to know how much I make? I would be glad to tell you. I am asking you why do you say that you pass on that the unemployment in this country, especially in Ontario, about which we are very concerned, and I know you are concerned because you would not be here if you were not as concerned as you are and I have to give you credit for that.

Miss Corbett: Thank you.

Mr. Piché: I am the kind of guy who is going to help you more than those who are so negative. Anyway, don't you think, and I would like some comments from you, that as far as you are concerned unemployment is a responsibility of government, is a responsibility of your association and a responsibility of all of us in Ontario and in this country? Do not pass the buck because we are all together.

You are working today. You are making a good wage. We are asking you for 12 months to help us to do something because of the

economic situation and unemployment. Would you agree--and do not listen to your friends in the back there--that I am misleading you? Answer me.

Miss Corbett: May I please answer and have some order?

Mr. Piché: There is order. I have order. I am asking you some questions.

Miss Corbett: One single job in the borough of York is not going to be created by limiting the teachers' wages. If my taking a freeze on my wages for two years--and it is not one year, it is two years because of the date our collective agreement expired and because we do not have a new collective agreement in place--if that was going to save people from unemployment I would feel differently about this legislation. But it is not going to create one single job for anyone in the borough of York.

Mr. Piché: You have not given it a chance.

Miss Corbett: We are in a collective. I heard you say that to the previous speakers. If we are in a collective, let us be a collective and let us bargain collectively. Let us act as a collective. You are removing that right from us.

I am very proud to tell you that I earn over \$35,000 a year. I earn in the neighbourhood of \$37,000. I have a bachelor of arts degree. I have a master of education degree. I have a library specialist granted by this ministry and I have 14 years of teaching experience. I believe I am worth that salary.

Mr. Chairman: Thank you. There being no further questions, thank you very much for your presentation.

The London Women Teachers' Association, Mary Vernon, the president, and Susan Burke, first vice-president. Gentlemen, may I point out the clock. We must end at 10:30. They are the instructions and orders of the House.

Which is Mary Vernon and Susan Burke? Thank you. Carry on.

Ms. Vernon: Mr. Chairman, Mr. Miller, members of the committee. I am Mary Vernon, president of the London Women Teachers' Association and this submission will be presented on behalf of our 800 members. A lot of our local women have expressed concerns and are anxiously awaiting your decision. I would call on Susan Burke, our vice-president, to present our brief.

Ms. Burke: Thank you. Our organization opposes the imposition of Bill 179 because it discriminates against public sector employees and against women. Mr. Brandt, two weeks ago in Sarnia I was at the fall conference for our region. At that time, you told us that if any man did any dastardly deed against women to come and see you and you would correct it. I am glad you are here tonight.

Mr. Brandt: Were those my exact words?

Ms. Burke: Exactly, Mr. Brandt. Not only are they your exact words but I remember them and always will and I am asking for your support tonight. In addition to controlling wages, this proposed legislation suspends the collective bargaining rights for one group of society. You have heard arguments against that tonight. That is not my main point. You will hear them again.

My main point is that part of this segment of society is women and a large part of this segment of society is women, women in ghetto jobs, in very low-paying, low-status jobs. It greatly concerns us that this proposed legislation would remove arbitration, fact-finding and mediation as well as the right to strike which were granted under the School Boards and Teachers Collective Negotiations Act.

As you have also heard tonight, and I hope you are very well aware, the public sector is not responsible for the current economic crisis. High interest rates and escalating unemployment are among the recognized causes. It is not clear--you have not made it clear and you are not making it clear tonight--how these problems will be solved by restraining the wage increases of 12 per cent of the work force. This proposed legislation places the responsibility of fighting inflation squarely on the shoulders of one small segment of the workers. Again, women make up a large part of that segment.

9:30 p.m.

I am speaking to you tonight as a member of this segment. I am pleased to speak to you tonight because most of this hearing is comprised of men. Most members of the Legislature are men and I honestly feel that a lot of the men are losing touch with this large part of the electorate.

I represent 800 women in London, a strong number of women, a vocal number of women, women who are very concerned. They do not like striking if that is what you are worried about. None of us likes striking, but we strongly oppose having any sort of right like that taken away from us.

Women's issues in society continue to be trivialized as has been evident tonight, as is evident in the federal legislature and is evident all through our society. When women speak, people tend to trivialize what we are saying. It was even evident at the point you were going to put us all together tonight at one table and tell us all to speak quickly and get out of here to let other people speak.

London women teachers' salaries have kept us among the lowest paid teachers in the province. Twenty-five per cent of the members of our association are in the bottom categories, the lowest paid categories, for very good reasons.

These women have interrupted their careers to raise families. They are now back in the work force, not necessarily because they want to work, although that is one of their basic rights in our society. They are often back to work because very few of us can live on one salary any more.

These women are also in the lower paid categories because in order to upgrade, one must take a number of courses. You have heard that tonight. It takes time and it takes money. People who are raising children are not as prone to be taking three and four courses a year. They are working at it. I am a teacher who began teaching without a degree and I have worked now for 12 years to get a master of education degree.

The imposition of mandatory wage controls guarantees that teachers' salaries will not rise beyond five per cent, but it does not guarantee correspondingly that costs such as day care and daily living expenses, energy prices, food prices, OHIP prices, milk prices and mortgage interest rates will also not rise. You are not restraining these prices and I am speaking to you for women, for people in these low-paying jobs who have to make do.

Those affected most severely will be single parents. Yes, there are men single parents; the majority, we all know, are women. Every woman in this room can cite cases, I am sure, of women who were given court-appointed support by their husbands and these men who have taken off do not give it, even though the court has ordered alimony payments. These are facts, these are real issues, these are real situations that are going on in Ontario.

Many around this table may not be able to conceive what it is like to work and raise children on a salary of \$11,000 a year. That is why I am speaking to you on these issues. We have one person in London who is typical of many of the women teachers. She went back to school to become a professional. She is raising two children in a small home. She sometimes leaves those children alone because she cannot afford the day care. When her child is sick at school who is going to go bring that child home from school when she has her responsibilities in the classroom?

She tried to get an education to make things better for her children and now her children are hearing: "No, we cannot afford it. No you cannot go to Brownies, I cannot buy you a uniform." These are real situations. I think in the light of the fact we deal with statistics a lot of the time, we forget we are dealing with real people.

Yes, our concern extends beyond women in teaching. We have contracts. Many of us have jobs. Yes, you are hearing about women again and that is my main point tonight. There are a large number of women here who have to be heard because we, sitting here tonight, are the only ones who can tell you what these situations are like.

On an average these women, who comprise one half of the labour force, earn less than 60 per cent of men's wages. According to the Equal Pay Coalition, Bill 179 will lock two million women into an unfair wage system. Some progress has been made to advance the concept of equal pay for work of equal value in this government. This legislation is eroding that and, furthermore, it erodes any opportunity for these women to upgrade, to catch up, so that they are earning a decent salary.

This proposed legislation, with its implied discrimination, is a regressive step. The clerical and secretarial staff in London average \$11,000 a year. The majority of those women are the sole support of their family for a number of reasons. Some of their husbands have had heart attacks, are on long-term disability or are ill. Some husbands have been laid off. We have the Ford Talbotville plant near us. The layoffs are cyclical, a week on and a week off. There are a large number of widows because in the days these women were getting training they were encouraged to go only into secretarial jobs. A large number are sole supporters because of separation and divorce.

As educators, our prime concern--and we have not forgotten this--is always for the students. The current economic situation adversely affects the home lives of many of the children we teach. Every day in my own classroom there are children who have been out till 10 o'clock at night with their parents because they could not afford to keep them home with a babysitter and took them with them. How are we to effect the intellectual development of these children when they are socially and economically deprived?

Children are sensitive. They know what is going on. When a six-year-old child says to the teacher, as one has said to Mary, "The greatest thing happened today. My daddy got a job," what is on that child's mind when that child tries to come to school? It is the economic reality of unemployment. It is not just a word, a statistic.

Wage controls will not create jobs for these mommies and daddies. You have not told us how. You have not given us any idea how they will create them for this 12 per cent of the work force.

We request you, as representatives elected by both women and men, to reflect on your moral as well as your political obligation to represent fairly all your constituents. Your wives, your daughters, your nieces, and as I look around, maybe even your granddaughters are affected by this legislation. We are being victimized again. We need more than your sympathy. We request that you withdraw this legislation.

Ms. Vernon: May I sum up, please?

Mr. Chairman: Yes, please.

Ms. Vernon: There are a substantial number of women in our city who will be adversely affected by this legislation. We are pleased to have had the opportunity to express their concerns to you. We trust, after your deliberations, you will recognize the injustices in this bill and will withdraw Bill 179. Thank you.

Mr. Brandt: I have just a brief question, Mr. Chairman. You mentioned the figure of \$11,000 on a couple of occasions during your presentation. I just wondered if you were completely familiar with the part of the bill which allows for substantial percentile and dollar gains, below \$20,000, that can effectively, for someone at the figure you have suggested--\$11,000--amount to perhaps an increase in the area of nine or 10 per cent, which would be reasonably close to what would probably have been arrived

t through a collective bargaining agreement for those at the lower end of the income spectrum. Are you aware of that aspect of the bill?

9:40 p.m.

Ms. Burke: Yes, I am aware of it, but I am not convinced. Mr. Brandt, our secretaries in London went on strike in 1980. To get that number of women in that age category to say, "We have had it, we are going to strike," should be telling the elected members something. These women were under the last wage control program which went on. The board gave them a chance to catch up. Then that catch-up was rolled back. They struck for that.

You cannot convince these women that you are talking to them in their best interests. That has a long way to go. Whatever the percentages are are not enough. We are not talking \$35,000 settlements.

Mr. Brandt: In fact, the bill quite clearly states that at below \$20,000, the minimum increase would be \$750 and in most instances, as I understand the bill, subject to correction by the Treasurer, it will in all probability be \$1,000. The percentages I am using are not that far off.

Ms. Burke: A thousand dollars might be a month's food. It is a pittance.

Mr. Brandt: I do not disagree with that. I do not disagree that perhaps those people are underpaid, but Bill 179--

Ms. Burke: Perhaps they are.

Mr. Brandt: --has not been responsible for their being underpaid.

Ms. Burke: And we, in the public sector, are not responsible for the unemployment and the wages.

Mr. Brandt: That was not my question. If I could pursue it, I am only asking if you understand that those at the lower end of the income spectrum can earn a percentile increase of somewhere in the area of 10 per cent, not five per cent, and that the gross dollar gain will be \$1,000. Is that clear?

Ms. Burke: Mr. Brandt, it is clear, but what is also clear is to tack on a percentage increase at a base price of \$11,000 is a lot different to the same percentage increase at \$30,000 or \$40,000.

Mr. Brandt: I appreciate that.

Ms. Burke: That is what we are here tonight to tell you, to remind you.

Mr. Wrye: I did a little bit of quick addition and I fail to read where you have read in this bill that there is going

to be that extra \$250. At \$11,000, if they get \$750, it adds up to a seven per cent increase.

Let me ask you this: Is it your view that the bill would be made more palatable with much sharper notching to protect against the ravages of inflation those who are earning less than \$20,000 a year, keeping in mind that 86 per cent of the public service in Ontario as at the end of March this year earning less than \$15,000 were women? Would that be a small step toward equity?

Ms. Burke: Too small. The problem of the economics in this country is not what this bill is addressing, and that is only a Band-Aid approach to the real problem. To start amending this bill just adds more Band-Aids on to the initial bandage. It is not acceptable. We want it withdrawn. I think the people who made this bill should be able to realize that maybe they did make a mistake and maybe they can withdraw it.

Mr. Wrye: There was a previous witness who suggested that, and my friend the member for Hamilton East (Mr. Mackenzie) has suggested that the bill be withdrawn. Let me make it clear, first of all, I just do not think that is going to happen.

Ms. Burke: Why not?

Mr. Wrye: Because I do not believe the government is prepared to withdraw it. Therefore, one of the things we are looking for is ways in which we can improve the bill to make it somewhat more palatable.

Ms. Burke: There are economists who have more expertise than I in determining which parts of this bill can be repaired and should be repaired. I have no doubt that you are going to hear more of that later. The point I am making is that the women who are affected by this bill are in a much worse situation even without the bill and this bill will only make it worse.

Mr. Wrye: If the government were to use the money that it intends to save--and we have not yet been able to firm that up with the Treasurer and perhaps he can give us a firm figure, but I still do not understand that we have a firm figure; somewhere in the range of \$450 million is the last figure I heard--if we were to take that \$450 million as a Legislature and pour every nickel of it into job creation to start creating the jobs we need to get some of the people back to work in London and throughout the province, what would be your attitude toward this legislation then?

Ms. Burke: Are these jobs for men or for women?

Mr. Wrye: Since both men and women are affected by the bill, presumably they would be jobs for both men and women.

Ms. Burke: I am sorry, but presumptions like that cannot be made. They have not happened in the past. What I am saying is it is still a Band-Aid.

Mr. Mackenzie: I just have one question, and that is to ask you if you are aware that in the debate--and I would suggest

you take a look at the initial Hansards, if you haven't--the leader of the party that Mr. Wrye just spoke for, who is also, I believe, from London, made the point that not only should the bill cover everybody and probably was not for a long enough period, but most important of all, it should have controls in the end period so that there could not be a catch-up such as happened with the Anti-Inflation Board. Is your group aware of those particular comments?

Ms. Burke: Yes. That is why we are here.

Mr. Chairman: Thank you very much for your presentation.

Gentlemen, before I call the next witness, may I point out that we have Mr. O'Flynn and two other individuals yet to come. We have three quarters of an hour. What does the committee wish to do? Do they wish to apportion the time remaining this evening among these three people?

Interjections: No.

Mr. Chairman: Do you wish, therefore, if we run out of time to put those other people over till tomorrow morning?

Mr. Renwick: Can we hear the three of them tonight?

Mr. Chairman: We cannot sit beyond 10:30 this evening. We are putting them over then--that is the consensus--to tomorrow morning even though we cannot get in touch with the witnesses due to appear at 10 o'clock tomorrow morning between now and then.

Mr. Renwick: Let's get going. It is 9:45 now.

Mr. Chairman: Is that correct, gentlemen? Fine, thank you, no apportionment.

Mr. O'Flynn of the Ontario Public Service Employees Union is next. Mr. O'Flynn, would you please identify the people with you.

Mr. O'Flynn: Sure, thank you, Mr. Chairman. We have Ev Sammons, first vice-president and treasurer of the union; Bob Hebdon, chief research officer; and Colin Gribbons, a research officer.

Mr. Chairman: Carry on, please.

Mr. O'Flynn: I have a presentation here which I would like you to put in the record so that it becomes part of the record.

Mr. Chairman: Thank you. I am filing it with the others.

Mr. Renwick: Mr. Chairman, I do not have a copy of that.

Mr. Chairman: It is coming. I believe this would be exhibit 4, gentlemen.

Mr. O'Flynn: It is entitled, "Beating the Davis Depression."

Hon. F. S. Miller: May I ask just a question for clarification? If it is the Davis depression, why is it also in the States, Quebec and other provinces?

Mr. O'Flynn: That is something I am sure we will get to later on in the presentation, Mr. Miller.

Mr. Chairman: Carry on, thank you.

Mr. O'Flynn: Maybe I should have called it the "Miller depression," who knows?

Hon. F. S. Miller: I would be glad to have it called that.

Mr. O'Flynn: We published this book here this year called Madness. Some of you may have had the time to read it. It talked about the disintegration of mental health care in this province. Then we had various meetings with Mr. Davis and we also had a meeting with him recently in which he insisted that although this program of his would not create jobs, it would avoid layoffs and therefore save jobs.

9:50 p.m.

I had a document given to me today signed by Frank Drea, minister in charge of dismantling Community and Social Services. This speaks of closing down six institutions in this province and--and I will quote to you--"As a result of these actions the classified and unclassified staff of the Ministry of Community and Social Services will be reduced by 1,163."

This, in our opinion, rips the last shred from the cloak of feigned concern which the Premier has sought to wrap around his wage control bill. This exposure is just one more reason why this bill should be withdrawn and why the raid on our members' pockets should be halted.

This committee is entitled the justice committee. If there is any real justice in it, you will join with me in condemning the proposed cuts in services to those least able to defend themselves in the community. You will also agree that since Bill 179 is based on the false premise of no job cuts, it should be withdrawn.

The residents of these facilities that are due to be closed down, are having their lives reordered in the name of cost reduction, whether they like it or not. Just look at the shoddy record of this government's earlier attempts at resident care in the community. The Parkdale ghetto--you would have to be deaf and blind not to be aware of it--for the mentally ill who have been turned out of functioning facilities into warehouses that are operated for profit, is surely no fit example of what should happen to residents of centres for the developmentally handicapped.

Community based care is a sham, a disgrace. We have already

documented that in the book Madness. These projected closures are just the latest in a series of like frauds which have been perpetrated on the public. There ought to be a fraud squad to eliminate social flim-flam, just as there is one for criminal fraud.

The need for proper care is evident. What this government is attempting to do is to institute a shift-back; that is, to shift responsibility for such care on to municipalities. We all know the sorry record of underfunding between the province and the municipalities to date.

That is the start of our objection to this bill. We have a long litany of reasons why it should be buried. If there is any union which is bearing the brunt of the controls program, then OPSEU is a good example of it.

We represent people across the public service from economists to janitors. In case you haven't felt the breadth of their anger yet, let me tell you that our members are angry. They have been holding protest meetings across the province. I would suggest they are going to get angrier as time goes on. In so far as this union can help it along, the opposition to this legislation is only in the beginning stages.

Controls are an insult to the labour movement of this province. On the first page of our brief we outline our major reasons for being completely opposed to Bill 179.

First, Premier Davis is breaking his own word to the labour movement that he would not impose wage controls on the public sector. I was at the meeting where Davis made that statement. Just as serious, however, is the way the Conservatives have broken the promise to everyone in Ontario, no matter who you are, whether you are working or unemployed, whether you are male or female. They have lowered our standards of living through constant cutbacks in the public sector. Wage controls are just one more broken promise.

As our introduction states, the Davis government has carried out a giant political and economic hoax on the people of Ontario. Cutting the wage increase of a clerk is not going to help the economy; in fact it will plunge us deeper into the recession.

Wage controls will cause unemployment. However, the vice-president of the Canadian Federation of Independent Business was quoted in last Saturday's Toronto Star as saying that they want more tax concessions. They will probably get them too. They say tax concessions will help them hire more people. Small and big businesses do not need tax concessions. They need customers. Unemployed people do not buy goods. They only buy what is absolutely necessary for them to live on. They cannot afford any more.

So everyone is going to suffer from Davis's wage controls. If you take \$500 million to \$800 million out of the economy, people are going to suffer. You have got to look at the people to whom these controls are directed. They are not directed to people in the professions, at lawyers, at people who make a lot of money

from the high interest rates--they will not lose anything from the controls. The Davis government is asking for an unequal sacrifice. What is even worse is that sacrifice is useless, because wage controls will not work to help the economy.

It is the same stuff you used to hear from Herbert Hoover and R. B. Bennett. Now we are hearing it from Margaret Thatcher, Ronald Reagan and Bill Davis. What Bill Davis is giving us through wage controls is a shot to the economy all right; it is a kick in the teeth. Controls, in our opinion, are the boot in the butt that will propel Ontario into the Davis depression.

If you turn to page 4 of our written presentation, you will find our objections to the bargaining provisions of Bill 179. A better way of putting it might be to say, "the lack of bargaining provisions."

I am not here to engage in any debate over the merits of one section of the bill over another. The whole bill stinks, it is simply a disaster. The only recommendation we have to all of you is to withdraw it. I could spend all day going over the injustices of each particular section.

This bill is demeaning to unions. It kills collective bargaining. As to our own sympathy with the Poles--and the Polish analogy can be stretched and stretched too far, and I am not going to do that--but I am going to say there are a lot of hypocrites around. One of them is the guy in Washington who goes to great extremes to defend the right of unions to exist and points to them as the cornerstone of any democratic society, and then brutally does away with the air traffic controllers' jobs and their union. That is gross hypocrisy.

With this bill, the government is killing collective bargaining in the public sector. If it does not understand that, then it understands nothing about labour relations. Perhaps it is significant that it was not a bill from the Ministry of Labour, but from the Treasury, which is not supposed to understand anything about labour relations in particular. By this inept bill, that ministry has shown that it does not.

10 p.m.

This bill kills collective bargaining. Not to face that fact is not to face reality.

I want to emphasize one thing in particular, something that galls me as a leader of a trade union which represents a large number of women. That is the hypocrisy of this government in its commitment to equality for women in the work place. Most of the women who belong to our union are not making high wages. Most of them are in the clerical or office services categories in the public service and community colleges. On average, they are making several thousand dollars a year less than men who work in the same groups.

They are going to be some of the real victims of wage controls. The \$750 minimum annual raise is not much good to

someone who is only making about \$250 a week. The minimum increase will give them a grand total of less than \$2 per week over what they would have received under the five per cent limits. Our brief points out that about half our membership earns less than \$18,000 a year. So much for your myth of the overpriced public servant.

I also have statistics which show that up to 93 per cent of the lower-paid categories are made up of women. The controls program makes a sneering hypocrisy of the Davis government's commitment to affirmative action in the work place. The women of Ontario have Bill Davis and his tired old Conservatives to thank for setting back their struggle for equal pay. Wage controls are an insult to the working women of this province, even more than they are an insult to the male workers.

We find all other parts of the wage control bill offensive as well. It violates our newly-won constitutional rights, as well as the United Nations standards for labour rights. The right to form or to participate in a trade union is supposed to be one of our fundamental rights in this pluralistic society. As I said before, the government, by this legislation, is gutting the role of unions. If you think the trade union movement is coming before you to thank you for this, have another think. We are not.

You tell us that trade unions have a role in your society. As a vice-president of the Ontario Federation of Labour, I have no hesitation in telling you what to do with your bill. You can keep it, and that is putting it very politely.

This bill has put public sector bargaining back at least 10 years. It puts us back to a time when the government simply decided what we were going to receive in wages and benefit increases. The wage restraint board the government has set up is like a medieval witch trial. There are no witnesses to call, no hearings to be held, not even published decisions. And for this, the government has hired Jack Biddell, out of retirement, mark you, to make up to \$70,000 a year. That is a direct slap in the face of all Ontario workers who earn an average modest wage.

Perhaps you think that one job can make up for the reports that I referred to at the beginning, that Mr. Davis is going to lay off another 1,200 people in six mental retardation centres. What great confidence that announcement is going to evoke across this province in these communities. Just listen to it. You are the guys that talk about business and business confidence. Look at the havoc this announcement is going to make in those communities.

"You have not heard the end of it yet," you are saying. "You have got a depression, you have got people unemployed. Wait for it, we are going to add to your misery, we are going to add another 1,200 people to the records of the unemployed. It shows the government's stupidity and heartlessness that a recommendation like this could be made at a time when we have record unemployment in this province. They are making the uncertainty about the future even greater in these communities and they are adding to the economic misery in Ontario.

That report points up something else that I wanted to emphasize in our brief. The public service is shrinking, it is not growing, and you know that. Mr. Davis crowed about the 5,300 jobs he has eliminated since 1975 in the public service of Ontario. Funding cutbacks and restraints do not help anyone. Do you think it helps the average worker when he or she has to pay more for OHIP premiums, even where the employer pays the insurance? The increased premium is taxed as a benefit.

Do you think it helps the average worker who wants to send his children to college or university that Ontario's tuition fees are the highest in Canada? If you think that, you are out of touch with reality. If you think that it helps the average worker that the community colleges are so crowded and the staffs are overworked that the quality of education in Ontario is declining, you may do so.

I put it to you, gentlemen of this committee, that cutbacks and fee increases in these areas are taking money right out of the workers' pockets. Every civil service cutback has the potential to lower the standard of living for everyone in Ontario. The services our government provides are part of our social ways and every service cutback from government has to be made out of a worker's pocket.

What is there left to cut, you might ask? I am sure you will find something, but it will not be cutting off your friends, it will not be off the high pay of doctors and it will not be off the lawyers or it will not be off the income makers

A doctor in Kingston complained in this morning's Globe and Mail that cutbacks are endangering the health of his patients. He said, "Doctors are having problems getting patients admitted for surgery because the hospital administration wants to cut costs."

Our standards of living are declining and this government seems to be obsessed with lowering the deficit. Mr. Davis and Frank Miller are bragging about the way Ontario is constantly lowering its deficit. Sure, the deficit went up last year and well it should have. It would have to be an absolutely heartless person who would say that in this period of economic crisis the deficit should be lower, but that is the goal, that is the end.

The reality is that our provincial deficit is not overly troublesome. A deficit of \$2.2 billion per year, in a time of economic depression is not what economists would call irresponsible.

We have a problem at this time, it is a problem of revenue. The problem of revenue is that not enough people have jobs so not enough people are paying taxes, not enough people are able to buy things. That is the essence of the problem. There are fewer people paying taxes because they do not have jobs.

We hear a lot from some business people about reducing the deficit, but I did not hear any complaints when the businesses got hundreds of millions of dollars in tax breaks in the last budget. I suppose I was there and I heard the businessmen squeal like pigs

who find that the trough they are used to feeding out of has a padlock on it. They were worried about their cars or the other parts that were cut.

I did not hear too much really about the deficit when they gave away \$650 million to business. Maybe that is why Davis thought he needed to get back that amount of money from the pay cheques of workers in the public sector.

Business tax breaks do not create jobs. Tax breaks for Inco helped them build a nickel refinery in Taiwan. Tax breaks for Cadillac-Fairview helps it invest more in American real estate while it sells out in Canada.

10:10 p.m.

If we had all the unemployed in Ontario paying taxes because they were working, there would be no deficit problem. Instead, we have the spectacle of a 90 per cent jump in the number of unemployed in Ontario in one year.

In the autumn of 1981 there were 250,000 people unemployed in Ontario. By autumn of this year there were nearly 500,000 people out of work. That, to my mind, is a disgrace and a scandal.

That is only half the story. Besides those 500,000 officially unemployed, there are about 300,000 more who have simply dropped out of the work force because they have given up on trying to find a job.

A few years ago we were worried that the number of unemployed in all of Canada would reach a million. Now it looks well like the number in Ontario alone might reach a million. That is the depression that we have been promised.

We do not need wage controls at this time. You do not have to be completely blind not to see what is needed. You have to be utterly uncaring to ignore the thousands who have lost their homes and their dreams. The thousands of marriage breakups and the increased rates of suicide and the hundreds right here in Toronto who will roam from doughnut shop to laundromat this winter because they do not have jobs and they cannot afford accommodation of any kind.

What we need in Ontario, what we are crying out for, is jobs. For our economy the challenge is not to balance the budget. The challenge is jobs.

However, Davis and his government have shown that they are not up to the challenge. They are so hidebound with their depression era thinking that they cannot even see the challenge. Instead of job creation they give us wage controls and more unemployment. Instead of economic recovery they give us the promise of depressions.

There is indeed a way out of this Davis depression. My colleagues in the labour movement and I have advocated a number of policies which would bring us out of this crisis. We met with

Premier Davis on a number of occasions to outline our position and to put forward our solutions.

What we got for an answer was controls for the public sector. They would not listen to our proposal that the first priority is jobs. They would not listen when we told them that wage controls were bad for the economy.

They are bad for the economy because people who have money taken out of their pockets are not more inclined, they are less inclined to go out and buy the kinds of things that will make the economy grow and the kinds of things that will put people back to work.

Perhaps the people of Ontario will listen to our proposals. It is for their benefit that I am making them today. I know this government has a majority and they will exercise it. They will exercise it and they will abuse it. They will abuse the power they have.

I say that this is an abuse of power. When you freely negotiate a contract with 70,000 women and then come out months after that and overturn it by legislation, that, my friends, is an abuse of the power you have.

First of all, I would say this: get rid of these stupid wage controls. They add nothing and they make your depression worse.

We say set up a reconstruction finance corporation to help viable enterprises through these hard times. The Reconstruction Finance Corp. helped a lot of companies in the United States pull through the last depression. It will help them pull through this depression. It will not cost us hundreds upon hundreds of millions of dollars in useless tax breaks.

Third, start a large-scale public works program, administered by the municipalities. Create jobs and create confidence.

Fourth, start a massive program of housing construction.

Fifth, roll back the regressive and stupid sales tax increases which were announced in the last budget. They are regressive and hit those with the lowest income hardest, as any regressive tax does.

Sixth, stop the cutbacks in social services to halt the slide in our living standards.

Seventh, press the federal government for a made-in-Canada interest rate policy.

Eighth, stop giving away our tax dollars to the corporate friends of the Conservative Party, where they do nothing but swell the expense accounts of fat cats.

If you are worried about revenue, we suggest--not for the first time either--that you try to impose a two per cent surtax on

people who earn over \$40,000. If we all have to contribute to economic recovery, let us all contribute equally. It should not be done by gutting the labour movement and gutting the role of unions as you have chosen to do. You have many alternatives. You chose this particular route, but we suggest this is only one of the routes you could have tried. The tax route is the one you could have taken.

These suggestions have been advanced here before, but this government has shown its unwillingness to listen to the working people of Ontario. Indeed, the Davis government has shown it is not willing to listen to the women of Ontario either. In fact, this government is prepared to listen only to its corporate friends.

Mr. Gillies: Mr. O'Flynn, I should just like to pursue a couple of the points you have made. I have some concerns, not so much about your description of the tragic effects of the unemployment and the recession, with which I have substantial agreement, but about the fact that--just looking at the experience of my own riding--I believe you did not say anything that would substantially ameliorate the situation in my constituency of Brantford.

For instance you spoke in rather strong terms about grants and tax concessions and so on, to corporations. I guess my first question to you would be: If you were indeed making policy for the government, as you have suggested, would you have made the loans and loan guarantees to Massey-Ferguson Industries Ltd. and White Farm Equipment Canada Ltd., which have helped keep those companies afloat and at least hold out some hope for the workers in my riding that, when we start to lift out of the recession, there will still be companies operating, and jobs for them? That really is the question.

Mr. O'Flynn: Yes, I would have, and I would have demanded an equity position in those companies for the people whose money is being used to support those corporations.

Mr. Gillies: Further to that, then I have another question. The theme of your presentation has been to label the situation in which the province finds itself the "Davis depression." Looking back to the experience in my own riding, I see that the government has supported the major industries in my riding which need the support.

I know the reason Massey-Ferguson and White Farm Equipment are not employing their workers right now is because the farm machinery market is down 57 per cent this year over last year. Last year was already a bad one. The reason the workers are laid off is because the combines and equipment are not being sold.

10:20 p.m.

About five per cent of that equipment is sold in Ontario and the other 95 per cent is sold in other parts of Canada, the United States and throughout the world. I am puzzled as to how the policies of the Davis government have contributed substantially to

that unemployment in my riding. It would appear rather to be the situation throughout the western world; the recession in the countries in which Massey-Ferguson and White Farm Equipment is sold.

So again, looking just at the microcosm of my constituency, do you really feel the problem you are describing is a problem created by the government of Ontario?

Mr. O'Flynn: Yes, I do, and I have to look more at the microcosm of your constituency. Some years ago, Canada and this province was second in living standards in the world. The rest of the world, as you have said, is also going through a trauma, but we are now 10th in the world. I would say the governments who have been in charge of the economies in this country have not done a good job.

Furthermore, when you talk about Brantford, given that there is a problem there which extends beyond the borders of this province, my proposals here would help that situation. The wage controls does nothing to help your constituency or the unemployment in your constituency. It will add to it.

Mr. Gillies: I would like to ask Mr. O'Flynn and I ask this question quite without prejudice because you bring--this is more of a philosophical question because I think you bring a slightly different philosophy to the committee than I espouse.

Do you really think it helps the social fabric of my community substantially when the industrial workers there, because of long periods of layoff, will not be making this year what they took home last year? Does it, from your philosophy, really ameliorate the situation in terms of bringing that community together for those workers to sit and watch increases above the level of inflation being given to public service employees?

Mr. O'Flynn: First, we have not matched inflation rates since 1975 or 1976. Indeed, workers have not been leading the charge, we have been doing our best to catch up to inflation.

Second, if you are concerned with equity, I do not know what particular form of philosophy you subscribe to, or would support, but I cannot think of anyone I would support who would bring down such an inequitable policy of wage controls.

How many lawyers and doctors do you have in your community who are earning high wages? How many people do you have in your community who are earning high incomes on interest rates? Are they being touched by this government policy, your government policy? The answer is no.

Mr. Chairman: Is that the end of your questioning, Mr. Gillies?

Mr. Gillies: Just to bring my questioning to a close, I would suggest that what my colleague has said is quite correct.

Mr. O'Flynn: I did not hear him. I only heard--

Mr. Gillies: As an independent operator, I am sure many of the lawyers in my constituency would like to be making what they made last year and I know that many of them are not.

Interjections.

Mr. Gillies: Getting back to philosophy, I would have thought your concern would be more to bring the fabric of a community together rather than--what I sense in your policy might be--to exacerbate the gap between those in the private sector who are laid off or unemployed, and those in the public sector who are at least somewhat secure in their employment. I wonder if--

Mr. Wildman: That's a despicable argument.

Mr. Chairman: Excuse me. There was a question asked, and we have asked the witness to please answer it. Give him an opportunity. Mr. O'Flynn, carry on.

Mr. Mackenzie: What a sorry specimen over there.

Mr. O'Flynn: Yes, what was your question?

Mr. Mackenzie: It didn't make any sense.

Mr. Gillies: I think it made some sense, Bob. What I am saying is--

Mr. O'Flynn: Oh, yes, I have your question.

Mr. Gillies: --he talked about perception. There is a very serious situation in the industries in my riding where people are not working. Do you think it decreases the bitterness that could be felt by many of these employees to see the considerable increases being taken by public employees?

Mr. O'Flynn: Okay, I have your question.

Mr. Gillies: I accept what you say, that these increases are probably not at the level of inflation or beyond, but I pose the question none the less. These people are hurting.

What I want to hear in your policy is how this brings the fabric of the community together to pursue what you've said in your brief.

Mr. O'Flynn: I am vice-president of the Ontario Federation of Labour. As such, I was elected to that position by workers in the private sector and workers in the public sector. Believe it or not, I represent workers in the public sector and workers in the private sector.

I say to you that it is my understanding and my perception--and we're dealing with philosophy and perception so I may take the liberty of straying a little bit from the field of the legislation. It is my perception that the Tories, with no disrespect to individuals, as a party have sown these seeds of division themselves.

You see, as a labour movement we have a concern which goes beyond the interests of our own members. We have demonstrated that in a lot of the causes we have espoused over the years. I don't think we need particular concerns from the Conservatives about our responsibilities as a labour movement for all workers. We have expressed that and pursued that in many different ways over time.

Mr. R. F. Johnston: We are finishing right on the dot, are we, at 10:30?

Interjection: No, we are never finished.

Mr. R. F. Johnston: Mr. Gillies was making the point that there is more job security in the civil service at the moment. Could you perhaps return to how you began your opening remarks. I don't know if Mr. Gillies missed that, but there are approximately 1,100 workers in institutions for the developmentally handicapped who, according to the cabinet--proposed cabinet submission, at any rate, signed by Mr. Drea--are to lose their jobs in the next number of years.

Would you care to comment any further on that?

Mr. O'Flynn: Sure. That's only half the story. The other half of the story is--look at the record of this government with regard to the unclassified. If ever there was a crying shame, that's it. There are 13,000 unclassified workers in the civil service. In my opinion, this government ought to be ashamed of how it has treated those people.

These people are people who are permanent part-time or people who are seasonal or people who are just unclassified who do the work of those who are classified when the government wants to fudge it. It wants to deprive them of benefits which accrue to classified employees.

Let me tell you this: we set as a priority in the last session of bargaining with this government to prorate the benefits for unclassified.

Those who talk to me about being unselfish in terms of the goals you pursue have to recognize that in the public service they make up about one fifth of our members--one fifth. The other four fifths set them as a priority to get them rights and benefits and to get those rights and benefits prorated.

This government went to hell and high water in order to stop us. It took us before a tribunal, not once, not twice, but three times to say: (a) the matter wasn't bargainable; (b) if it was bargainable you have to have the tribunal outline every element that is bargainable. Again, they took us to the tribunal to say it wasn't arbitrable.

We have not won that fight yet and by this crazy legislation you are bringing down, we may never get to it, because the arbitration board is still seized with it, because of the antics of the government in opposing what any fair-minded person would see as a just cause--the fate of the unclassified--now.

I say to you, that is wrong and none of those people have job security. They can be dismissed on one week's notice. They are completely at the mercy of the employer. They have no job security. If you put a word out of your mouth that is wrong, you are gone.

Mr. Nixon: On a point of order, Mr. Chairman. Being 10:30, the time that the committee, as I understand it, is required to adjourn, I wonder if it might be in order if I make a motion.

Mr. Chairman: Mr. Nixon moves that the committee adjourn with the understanding that the present witness, Mr. O'Flynn, and his delegation be asked to return Thursday morning, October 21, 1982 at 10 o'clock and the time slots sheduled for the other witnesses then appearing be adjusted accordingly.

Mr. Nixon: We must understand that the Ontario Public Service Employees Union is, I suppose, one of the largest groups affected by the legislation. I doubt if we are going to be able to finish the discussion tonight, in any event, and I would put the motion.

Mr. Chairman: All right. Thank you. Just keep in mind, gentlemen, that undoubtedly and unequivocally we will be unable to contact those people between now and 10 o'clock when they turn up in the morning. We may have a problem then.

Motion agreed to.

The committee adjourned at 10:32 p.m.

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STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

INFLATION RESTRAINT ACT

WEDNESDAY, OCTOBER 20, 1982

Morning sitting



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

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Substitutions:

Cooke, D. S. (Windsor-Riverside NDP) for Mr. Swart
Fish, S. A. (St. George PC) for Mr. Stevenson
Johnson, J. M. (Wellington-Dufferin-Peel PC) for Mr. Eves
Mackenzie, R. W. (Hamilton East NDP) for Mr. Breaugh

Also taking part:

Bryden, M. H. (Beaches-Woodbine NDP)
Jones, T., Parliamentary Assistant to the Treasurer of Ontario and
Minister of Economics (Mississauga North PC)
O'Neil, H. P. (Quinte L)
Samis, G. R. (Cornwall NDP)

Clerk pro tem: White, G.

From the Ministry of Treasury and Economics:

Campbell, T., Deputy Treasurer and Deputy Minister
Davies, B. P., Assistant Deputy Minister, Office of Economic Policy
Sadlier-Brown, P., Senior Economic Adviser, Economic Policy Branch

Witnesses:

James, R. W., Private Citizen
Stanojevic, M., Private Citizen

From the Canadian Organization of Small Business:

Carson, W. J., Director of Public Affairs
Hale, G. E., Director of Policy and Government Relations

From the Canadian Union of Public Employees:

Levine, G., Research Director
Nicholson, L. E., President, Ontario Division
O'Connor, T., Secretary-Treasurer, Ontario Division
Rose, J., Co-Chairperson, Legislation Committee, Ontario Division
Sykes, R., Assistant Research Director

From the Ontario Public Service Employees Union:

Gribbons, C., Researcher
Hebdon, R., Senior Research Officer
O'Flynn, S., President
Sammon, E., First Vice-President

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Wednesday, October 20, 1982

The committee met at 10:11 a.m. in room 228.

INFLATION RESTRAINT ACT
(continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Chairman: Ladies and gentlemen, we have a quorum. We are carrying on from last night. Mr. O'Flynn is the witness. Mr. Johnson was questioning him but he has advised me that he has completed questioning. The next person I had, who requested to speak, was the Treasurer (Mr. F. S. Miller) on a clarification. He is not here. Therefore Ms. Bryden is the next person wishing to question Mr. O'Flynn.

Mr. Breithaupt: Mr. Chairman, might I just ask, since it would appear that the committee is already a bit behind schedule, what your expectations are for this morning and who, hopefully, we will be able to accommodate, just so we can have an idea?

Mr. Chairman: We have a fuller agenda coming with individuals' names. At this point, we have three persons left over from last night: Mr. O'Flynn, who is near the end of his presentation, and the other two individuals. Then we have four groups present scheduled for this morning. The clerk has been in touch with as many of these people as possible who were scheduled to start at 10 o'clock today to advise them of the delays and what is happening. We have seven scheduled for this morning, and our mandate is to sit from 10 a.m. until 12:30 p.m..

Ms. Bryden: I want to commend Mr. O'Flynn for the way the brief dealt at considerable length with the effect of Bill 179 on women. I think he called it a sexist bill because it appears to discriminate against the efforts to close the wage gap between men and women and to help women catch up in the public service.

I would like to ask him if he has estimated the effect on the wage gap, which is now, I understand, such that women make 72 per cent of what men make. In other words, they are, on average, 28 percentage points behind men. Does he expect that wage gap will increase as a result of the provisions, particularly the tearing up of the two-year contract for the clerical and office employees category?

Mr. O'Flynn: Let us look at it like this. First of all, women have not been as active in the trade union movement in years gone by as they are now. They are much more active today. I know women have been active as individuals in the trade union movement,

but as a group they are now making their presence felt, a presence that has been felt increasingly, I would say, over the past 10 years. They have made strides to catch up. They have not been very successful, but at least their case is more widely accepted as time goes on. This legislation will put that process back in time, given that a large proportion of the people affected by this bill are women.

If you look at one particular application of this bill, it becomes particularly offensive to women. Seventeen thousand of our members negotiated with the government. The government, of its own free will, suggested a two-year contract rather than a one-year contract which was our position going into bargaining. The union looked at that and two of the bargaining teams accepted the government's proposal. As a result, a two-year contract was signed by the government and ratified by the members. That is now being rolled back. I would say that 95 per cent of those 17,000 members are women. Whether it is by design or accident, that is sexist legislation.

Ms. Bryden: Also, the government has an affirmative action program with targets that were set in 1980, and the women crown employees office has employees attempting to carry this out. Do you think that they will be able to carry out any of the work towards those targets as long as this legislation is in effect?

Mr. O'Flynn: I have come to realize that there is a great difference between the form and the substance. While the Conservative government looks great in terms of its style and the impact it makes on the public, the content is a very different matter.

A good example is the response I had yesterday from George McCague in terms of closing six institutions. I asked him if a decision had been made by the cabinet to close down those institutions. His response was, "Before we communicate such a decision, there has to be a communications package." That sums it up. Let us hide the content and the real design in a sugar-coated pill and then push it out to the public. With regard to the government's policy on women, I think it is a farce.

Ms. Bryden: That is your description of the affirmative action program, I gather.

Mr. O'Flynn: That is right.

Ms. Bryden: A sugar-coated pill. Certainly it would appear that Bill 179 would put things on hold for at least two years and will not close the wage gap, as far as I can see.

Mr. Chairman: There appearing to be no other questions, thank you very much, Mr. O'Flynn, for your presentation.

The committee members are being handed two written briefs. The first by Mr. Miodrag Stanojevic will be exhibit 5 and the other one by Mr. Richard James, who is the following witness, will be exhibit 6.

Mr. Elston: I know that we may tend to go on just a touch long on questioning people, but it seems rather inappropriate to have one witness come back this morning for seven or eight minutes. Is it possible that in future when we are sitting in the evenings that we might sit a little bit longer to finish off a particular witness?

Mr. Chairman: No, I would not apologize for that, Mr. Elston. I think it is a valid point to bring up. The rule has always been in this committee since I have been chairman that I do not recognize a clock. We are limited to 10:30 by our instructions. However, if no one brings the clock to my attention, then I do not recognize it. It is the same as usual.

Mr. Stanojevic, would you go ahead, please?

Mr. Stanojevic: Yes. Mr. Chairman and members of the committee, I want to thank you, first of all, for granting my request to talk to you. In my brief, which you have in front of you, I deal only with two items, both being related to the merit increments as they are dealt with in subsection 12(5) of Bill 179.

10:20 a.m.

First of all, I am unhappy with the timing of increments. The wage restraint program covers the period from January 1, 1983, through to December 1983, in other words, one calendar year. However, the denial of merit increments covers a period of one year and 100 days, or 15 months. Therefore there is an overlap there. What happens is that people like myself will lose not one merit increment, but two, or the same one twice.

I am an employee of the municipality of Metropolitan Toronto. As a supervisor of development control in the road and traffic department, I will be over \$35,000 with a merit increment. Last November my employer promoted me to a new position with higher responsibility.

As defined in Bill 179, subsection 12(5), people who got promotions this year are excluded from denial of increments. However, those who got their promotions before and increments, I would suggest, are an integral part of the promotion, so increments are not something that could be covered generally like wages. Of course, I am not opposing restraint on wages, as you can see.

Mr. Ferguson, our commissioner of personnel of the Metropolitan corporation with about 5,000 employees, sent a letter to the commissioner of finance, Mr. Pickard, instructing him to suspend until further notice the granting of merit increments to management, staff, etc. He said in his letter--and I would like to point out that that is management, not the labour union or professional association--that it may be observed that the provisions of Bill 179 will result in a number of our employees losing both their scheduled 1982 and 1983 increments. Those employees above the \$35,000 level who were fortunate enough to receive their scheduled 1982 increments before September 21 will lose only their scheduled 1983 increments.

"As this situation is clearly inequitable," our commissioner of personnel says, "this department will be recommending that an appeal be made to the Inflation Restraint Board on behalf of employees concerned." This is where it stands. He ordered suspension of merit payments, rather than trying to recover them later.

One thing about merit increments is that people in the same group are treated differently. For example, one of our land surveyors got his merit increment as of the period ending September 14. The other one, who is in exactly the same job, getting exactly the same promotion in 1981, but because the council decided to promote him in November, as I was promoted, does not get his increment. The first will lose his 1983 increment, but the second will lose his twice.

The second point I would like to present to you is the importance of a merit increment to an employee. If that merit increment is part of the pension base that has been lost, as in my case, forever. For example, if a person is denied merit increment in 1982 and 1983, he will recover it theoretically in 1984, 1985 or for the next 15, 20 or 30 years. However, there are those who are in the pension-building phase; sometimes it is like community colleges, seven years; for ourselves, municipal employees, five years; and some people are even three years.

By October 1, 1984, that means the only increment I have coming to me, the one in November, I will not get at all. Therefore my pension will be affected forever and that will mean (inaudible) approximately \$60 a month for my pension. I urge you to look at this situation where, first, exceptions in the bill are given to those who are promoted now, but not the year before. Secondly, people in the same category, the same group, are treated differently. One gets an increment, the other does not.

Thirdly, and most important, there are those who are building their pension base. As you know, two per cent of your salary, times the number of years of service is your pension. These people who got their promotion because their employer thought they deserved it, now are denied not only remuneration, but for future years, forever.

I would also suggest that the number of people in Ontario are so small that the amount is negligible for the government budget or for fighting inflation. It is such a small number of those who have only two years before pension, before retirement, and I am one of them. So I would suggest, as I said in my brief, that it is beyond my understanding--but of course I cannot understand everything--why merit increments are denied for 15 months when wage restraint programs are for one year.

Why this overlapping? I really do not understand. Maybe somebody could find out. I would suggest that the denial of merit increments as provided in section 12(5) of Bill 179 cover the same period as the wage restraint, that is, from December 31, 1982, to December 31, 1983. Or I would urge your committee to recommend that those to whom the increment is not just an increase in their

pay or in their salaries or wages, but also forms the base for their pension, be excluded. This is all that I have to say. Thank you very much.

Mr. J. M. Johnson: Mr. Chairman, just briefly, I would like to say I share the concerns expressed by the witness and I hope that when the committee goes into clause-by-clause debate we can address both these issues. The one pertaining to the fact that some people will lose twice is certainly one that concerns me.

Mr. Breithaupt: I, too, share the concerns with respect to the suggestions made by Mr. Stanojevic on the alternatives that are proposed.

Would it be possible for the parliamentary assistant, Mr. Jones, to let us know in due course the reasoning behind the overlap situation that is referred to so that we could have an explanation that may resolve this particular problem, or a reason as to why the legislation was prepared in its present form?

Mr. Jones: Mr. Chairman, we will get that for Mr. Breithaupt and the other members of the committee and will have it this morning perhaps. Also, I would just like to be sure I understood that you did make the point, Mr. Stanojevic, that promotions are not a restriction. You did make that point, did you?

10:30 a.m.

Mr. Renwick: Let us not waste time. He was perfectly clear. His brief was perfectly clear. Let us not waste time about other aspects of the problem.

Mr. Stanojevic: My employer, Metropolitan Toronto, three years before my retirement, gave me a semi-retired position and new responsibilities. Now the government says you do not get it while the boss says you deserve it. It is a small number of people I am talking about, the very few that got promotion. As I said in one letter, we all know that people reach their level of incompetence far before their time.

Mr. Jones: We will get this answer that Mr. Breithaupt talked about. Thank you for your presentation.

Mr. Renwick: Just before you leave, this is part of the problem of the bill. We cannot understand how the government would overlook that kind of matter, the two issues you raised. They just do not understand the implications of their bill, and I am delighted that you brought these two inequities to our attention.

Mr. Mackenzie: The other point I would make is that while you may be right in terms of the number that received their promotion, in terms of the effect on pensions, it affects people not only for the one year, but some people in this bill are caught in two years and some in three years, and all of those are affected in terms of the base pension.

Mr. Chairman: Thank you, Mr. Stanojevic, for making the presentation and thank you for your patience last night.

Mr. Breithaupt: Mr. Chairman, to assist Mr. Stanojevic, will you see that our clerk sends a copy of the response to him on this point that Mr. Jones is going to arrange him so that he will have that?

Mr. Chairman: Thank you very much. Mr. James.

Mr. James: Thank you, Mr. Chairman. I am sorry these tables around here are not as well filled as they were last night because I am here to try to encourage you to push this bill through and even strengthen it. I will read my statement and then I would like to make some comments if I may about what was said last night.

As a private citizen, I record my plea for sacrifice. Just restraint is not good enough to slow our plunge into national bankruptcy. We Canadians have been living so far beyond our means that we are going further into the red at the rate of more than \$100 a month per man, woman and child.

British Columbia is going further into debt in the current fiscal year by \$1 billion; Ontario by \$2 billion to \$2.5 billion; Quebec by \$3 billion; Ottawa by \$25 billion. Relate this \$30 billion to 23million or 24 million Canadians and it is obvious we are adding to our debt at the rate of \$110 a month per man, woman and child, and interest on the debt ranges from 13 per cent to 19.5 per cent.

When Ottawa borrowed from West Germany and Japan two or so years ago, 65 per cent of the cash received was used to pay interest on what we already owed. I do not know what happened to the other 35 per cent. Ottawa's debt is said to be about \$133 billion, with \$40 billion of that owed to foreigners.

We hear a great deal about Poland's debt, that being \$28 billion. Will we pay off our debt to foreigners with dollars worth only 80 cents? Will we have our currency devalued and pay it off with eight cent dollars? Other countries have devalued because they had problems similar to ours and some have devalued several times.

In August 1969 Mr. Trudeau said, "We should be well on the way to financial disaster if nothing were done to bring spending under control. To spend vast sums of money on welfare, education and other programs, while allowing inflation to continue, would merely place hundreds of thousands of Canadians on a treadmill, they could not escape." Trudeau put millions on that treadmill, thinking of little but refighting the battle of the Plains of Abraham.

In 1968 Ottawa's debt was \$23.5 billion. Ten years later, in 1978, it was \$60.8 billion. It has more than doubled in the last four years. When James Richardson left the Trudeau cabinet, he said limited bilingualism had cost us \$1.299 billion in two years. Richardson said pushing this would bankrupt Canada. While Quebec goes further into debt by \$3 billion, it pays \$6 million to paint out "stop" from all roadsigns. Do you know "stop" is on roadsigns in France? Do you know "stop" is used in France in telegrams? We should stop pandering to Quebec.

Two or three years ago Mr. Whelan was reported telling disgruntled Ontario dairy farmers that if they wanted to stay in the dairy business they should move to Quebec where they can produce 48 per cent of Canada's milk. Do you know Ontario can produce only about 32 per cent? For generations families in the dairy business have gone bankrupt because of the milk quotas. Ottawa and the provinces should reverse the trend. Instead of swelling the increase in debt, we should be reducing the debt.

One way to do that is by setting examples of sacrifice. Here is a copy of a letter to Mr. Joe Clark, dated June 1982. The suggestion is that the Progressive Conservative Party should tell all voters that if the PCs are voted into power the pay of all members of Parliament would be cut by 20 per cent and the pay of senators by 50 per cent.

Mr. Cooke: How about 100 per cent for senators?

Mr. James: I'm bringing in the legislative assemblies, too, so maybe you will withdraw the comment. The MPs gave themselves a pay increase of about 48 per cent and the senators took an increase of about 51 per cent, so what I asked for wouldn't hurt. The big important factor is that cuts would set an example and enable government people to tell others to take cuts and make sacrifices.

Other ideas are outlined in my letter to Mr. Clark. The idea should be taken up by provinces, including Ontario and municipalities. Ms. Pat Johnston of the Canadian Federation of Independent Business says we are paying out unemployment insurance twice as lavishly as it is paid in the USA, or words to that effect. If I remember correctly, she said you work 25 or so weeks in the States to get unemployment insurance. No, I've reversed it. You get unemployment insurance for 25 weeks for having worked a certain length of time. Here we give it for 50 weeks and you get about 95 per cent of the former pay. We should cut it down to something like 75 per cent, as it is in other countries, and eliminate the desire to go on strike and the indifference to working instead of taking unemployment insurance.

Mitchell Beer, an Ottawa commentator, said on CBC radio with regard to depletion allowances: "In two years we could be far worse off if efforts in our Beaufort Sea are merely dirty and worthless. Private oil companies won't work there without government subsidization." I think that subsidization is 90 per cent. We're going to foul up our arctic waters for generations, and you might as well say forever. Oil doesn't dissolve in icy cold water.

I mentioned to a man downtown one time about two years ago that we were taking a tremendous chance up there. We could foul up things for the Inuit and Eskimos. He said, "How many are there up there? We need that oil." Private oil companies don't work there without government subsidization, paid for by us at the gas pumps, while there is a worldwide glut of oil and Saudia Arabia forms a new association different from the Organization of Petroleum Exporting Countries to prevent a collapse in oil prices.

10:40 a.m.

When teachers who were here last night and school trustees who voted themselves a 110 per cent increase want more money, confront them with the fact we must advertise in other countries for properly trained people, rather than training them properly here. Many young people have a right to feel cheated when, trying to enter university, they are told they must spend a year or two at remedial reading and writing. An illiterate is out of luck in any country. Why plan it that way here? Do you know our teachers are paid 25 to 30 per cent more than in the USA for similar work?

Last night one of the lawyers who sat over there said he had given up a very--I have forgotten how he said it. What I would like to remind him is that a judge I know said there are 10 lawyers in Windsor on unemployment insurance. I think things are going to be a great deal worse.

We just have to impress this on people who are demanding things, demanding rights, demanding pay, demanding equality with somebody else. The firemen say they must have pay equal to the police. They do not say they are not getting enough money; they want equality. That is not good enough for increases. I think these firemen who go out on strikes, such as in Halifax and at Malton Airport, should be fired in a minute when they go out on strike. People who take on certain jobs must accept responsibilities for continuing the work they take on.

I will refer momentarily to the fact that Rae quit his job in Ottawa to take on a job here and it cost us \$250,000. This sort of thing makes us question whether or not we can afford 90 per cent of our politicians. I do not think we can.

Last night someone--I think it was the chap who sat here last night and again this morning--referred to the fact that a lot of people can only get part-time work. Lots of people want only part-time work. It is great. They can work for a while, quit, get their unemployment insurance and go back at it again. It is not a complaint that people can only get part-time work. It might be in some instances, but in a lot of cases it is not.

These same union people want to unionize the sheltered workshops. I think that would be an absolutely dreadful thing to do. There are people who are being helped by very well-motivated people who give up a lot of their time, who work very extensively in different areas, sort of hidden away, helping people who sew cloths and mend them and get a certain amount of satisfaction out of doing a little bit of a job. They get some money and they have some companionship, rather than sitting around in a room all alone. These efforts to unionize everything are just beyond description.

Recently the Wall Street Journal said--and they quoted at other times--that Canada has been the most mismanaged, the most unfortunate country in the world. That is thanks very much to the fellow who was on TV last night pleading with us to work together.

Well, hell, he did not care a hoot about Canada as long as he got his so-called "charter of wrongs," and nothing can be done about altering it. Now he is asking us to consider what we have been complaining about for at least a decade.

One speaker spoke about having to have a lower standard of living. We cannot do this or that because we would be confronted with a lower standard of living. We must all expect to have a much lower standard of living because the standard has been so blatantly extravagant for so long that it is coming to us. Someone spoke about nonproductive loans from banks. Large companies can borrow money from the bank to such an extent that they cannot pay the interest. The banks cannot afford to chop the thing off, so they get carried by the banks.

I think the government should help Massey-Ferguson Industries Ltd. and Chrysler Canada Ltd. by giving a certain amount of money to the company only if the employees, directors, managers and everyone buy stock on a percentage basis of their salary. That stock would go into escrow for five years. These employees who get the stock are much more likely to work properly if they know the stock they are accumulating will be worthless if they do not put in a proper effort.

One example of how inefficient we are in Canada is that it takes Japan 110 hours to produce a car while Canada takes 195 hours. Last night on TV Trudeau was saying, "I'm sure we can match these other people," or something like that. What a hope!

Teachers average \$24,000 a year; we were told that last night. Two that were sitting in this chair were making around \$35,000 or \$37,000. I have no financial problems of the type I refer to, but a lot of people have to really cut down on very essential things to get along. Their income is around \$9,000 to \$10,000. Those are the people who helped make Canada and protect Canada.

I was in the air force for five years and lost a brother and a lot of friends in the war. I look around now at how Canada has changed and the financial mess we are in, and I feel personally--and I am not just saying this flippantly--that I, as a long-time Canadian, have lost more than if we had lost the war. I am serious.

Last night these teachers were talking about demanding this and that and the other. One did say she could not pay the mortgage and one said her husband was out of a job. In the 1930s there was a 25 per cent unemployment factor in the United States. I do not remember what it was in Canada, but I went through it.

What we need a hell of a lot more than a bill of rights is a bill of responsibilities. We should list a bill of responsibilities, and if people do not live up to it, they should forfeit some of their rights. I am sorry I did not say this to the teachers last night.

I have got something that varies a little bit. A lot of people have been referring to rents. Last night I understand there was a meeting in which Mr. McMurtry and Alderman Anne Johnston and others were speaking and saying, "Oh, isn't it sad that people are being thrown out of their apartments and being charged 30 or 50 or 60 per cent?"

Those very same people have been advised by me over the years that if they really want to protect and help tenants, they should ask Queen's Park for legislation that would not allow a landlord an increase in rent based on an increase in mortgage rates, unless he has owned the property for four or five years. I have written to various people, and people are complaining and wringing their hands about the fact the furniture is out in the street. Anne Johnston is one. I first made my proposal to her.

Then in a write-up in the paper with pictures, it said, "Mr. So-and-So bought the building last year." The long-time owner was not allowed to increase the rent, but he got the mortgage and sold it, and the new owner had new, higher costs. Somewhere along the line, if you want some help on it, I would be very glad to help work out an arrangement in which an owner is restricted. I own some houses, a couple of duplexes, and as a small-time owner, in 1973 I gave a three-and-a-half year lease--

10:50 a.m.

Mr. Chairman: Mr. James, could you please wrap up because if you remember, your original letter asked for only three minutes.

Mr. James: --and I was treated as if I had been giving only a year-to-year lease and then restricted to an eight per cent and a six per cent increase in rents, whereas the other people were getting 22 and 26 per cent increases year after year. So this government management of rents needs some proper guidance. I have been a member of the Toronto Real Estate Board since 1931 and I volunteer my help in giving it.

Mr. Chairman: Thank you very much for your presentation this morning and for your patience last night. The next witnesses are from the Canadian Union of Public Employees, Ontario division, Ms. Lucie Nicholson, Mr. Gilbert Levine, Mr. Jeff Rose and Mr. Terry O'Connor. We have in front of us an exhibit with a blue cover which would be exhibit 7.

Could the spokesman please identify the five people at the table and perhaps a spelling of the name of the research director.

Ms. Nicholson: The spokesperson for this group wears a skirt and her name is Lucie Nicholson. Our research director is Mr. Levine. We thank you for the time allotted to us this morning. We have a rather long brief. We have also broken it down into a summary which we would like to go through with you. The summary is the one in the blue cover. The brief is the green. We would enter the green brief as our submission to you.

The summary of our brief is presented on behalf of approximately 110,000 members of CUPE. With those 110,000 members, we have approximately 800 collective agreements between our locals and employers in a very wide range of public sector jurisdictions. We cover municipal employees, provincial employees, school board employees, hospital workers, Hydro workers, nursing homes, homes for the aged, the libraries, the health units. We cover the social service agencies, colleges and universities, day care centres, private garbage contractors and children's aid societies.

All of these groups are restricted under Bill 179. That bill, if it is passed, will penalize approximately the full membership of CUPE in Ontario. It penalizes CUPE more than any other union in this province. If passed, that legislation will abolish our right to strike, it will nullify interest arbitration rights, it will suspend collective bargaining, and it will impose arbitrary controls on our wages.

At the same time, it will ignore both the cause and the symptoms of the economic crisis. Private sector prices are not being controlled. The bill does not have any constructive impact on unemployment, plant closures, industrialization and high interest rates and home foreclosures. It accomplishes only one purpose, and that is to remove our basic rights. It is trying to make scapegoats out of public employees of Ontario.

In our brief we show you that the legislation is based on bad economics. It will seriously reduce our earnings and the purchasing power of CUPE members and of other public sector workers. Its enactment will strip us of our basic rights. It is discriminatory since the inequities written into this legislation serve arbitrarily to isolate some groups of employees for even harsher political and economic treatment than others.

We show you in the brief that it is very bad economics. Across the province, workers in both the public and private sectors are being told to tighten their belts and to sacrifice their income so that the province's economy can recuperate. It is our view, however, that the controls program will not foster recovery; the controls will only plunge us further into depression.

It will precipitate greater levels of unemployment and it will accelerate the rate of business bankruptcies. The thrust of the program is to lower wages and living standards of working people in Ontario, not temporarily, as this government would claim, but permanently, so that the government can cut corporate taxation and control labour costs and boost profits for the large corporations.

Yet while that controls program is designed to lower incomes of the public sector workers so that the government can reduce corporate taxes, the fact is that it will do absolutely nothing to deal with the underlying structural problems of the Ontario economy. It will take purchasing power out of the economy. It will decrease the amount of new investment, especially in the manufacturing sector. It will also increase the number of jobless at a time when unemployment is already Canada's most serious

social problem. More significantly, it does nothing to curb the policies of the corporate sector, which are responsible for the current economic mess.

In short, the way this government, like the federal government, intends to deal with the economic crisis, is to shift the burden to ordinary Canadians, while providing business with as much cash as can be made available to cushion the impact on investors. The approach provides absolutely no solution to the real economic problems of the ordinary wage and salary earners of this province.

We as a union totally reject this approach. We call for measures to address the problems of unemployment, the falling living standards and the declining public services, rather than the distorted needs and priorities of the corporate sector. For all intents and purposes, collective bargaining rights for CUPE will be abolished under this legislation.

We will be denied the right to withhold our labour, for those groups of us that previously had it. The legislation now even suspends the interest arbitration rights for hospital workers. They were previously denied the right to strike, and you have taken that away from them also in this bill. I should not say you have; you will if you allow this bill to pass.

The legislation specifies that unions will have the right to bargain over nonmonetary items, but meaningful collective bargaining is impossible without the right to withdraw our labour, the right to strike. Without that right, the union faces a situation where the employer has an effective veto over any and all changes proposed by a union. If the employer refuses a proposed change, the status quo will prevail.

There is not another democratic country affected by the global economic downturn that has resorted to the abolition of the right to bargain and the right to strike as a part of its recovery program. That is taking place only in this great country of ours, in Canada. In Canada it is only happening in Ontario and in the federal jurisdiction. That is public sector employees I am talking about in the federal sector. Other democratic governments have more respect for free collective bargaining and for free trade unionism.

11 a.m.

Let us talk a little bit about the Inflation Restraint Board. The powers given to that board under the legislation raise very profound doubts about the government's respect for natural justice, due process, freedom of information, freedom of debate, freedom of meaningful association and other basic civil rights. Natural justice has required that everyone has a right to a fair hearing before being deprived of his rights. The provisions of Bill 179 under which the board can make decisions without first holding hearings and without giving reasons for its decisions are a violation of natural justice and due process.

The board is not obliged to hearings and does not have to hold hearings. The board is given the power to scrutinize any compensation plan it wishes. The board will not give reasons for its decisions. The board is not limited by the rules of admissibility of evidence applicable in a court of law. When it comes to price increases, whether they are in the private or the public sector, the board has no powers, whether it is over food prices, cost of housing, clothing, fuel--we all saw the fuel go up yesterday--automobiles, appliances. The legislation is totally permissive.

Private sector price increases will be monitored, to use the language of the legislation. I am going to tell you why it is discriminatory. Virtually all public employees in Ontario are restricted by this legislation--just the public employees. The fact that the lowly paid hospital and nursing home staff will have their wages frozen or rolled back, while the highly paid medical profession is exempt, merely underlines the inherent biases of the legislation.

While the five per cent control period applies to all public sector employees for 12 months, some groups of ours will not emerge from controls until well into 1984. We have at least 160 CUPE public agreements that will be covered by controls for at least two full years, not one year. These are agreements that expired by October 1982 and which were not renewed prior to the September 21 introduction of the bill.

Those covered for two years were being limited to a maximum nine per cent in the transitional first year and will be subject to the same five per cent as everyone else in the second year of the two-year extension. Let me tell you, my friends, nine per cent is not fair for us. We have a unit in Oshawa that is out on strike because the boards of education will not even put in an interim nine per cent until this bill either passes or is defeated, hopefully. They will not even talk nine per cent to us, and you are saying nine per cent in the transitional period.

You are placing a ban on the right to strike if you allow this bill to go through. That nine per cent is just not guaranteed to us. The board and/or employers will be left free to impose increases between zero and nine per cent, and that nine per cent is not guaranteed to us. Additional inequities will be imposed through rollbacks. Approximately 100 CUPE agreements will be subject to rollbacks of their previously settled agreements which extend into 1983, 1984 and in a few cases beyond that.

In most cases, employees covered by rollbacks will receive less than half the increases they would have been paid under the negotiated agreement. For example, the labourer working for the regional municipality of Sudbury will receive only 46 cents per hour--48 cents if we can get the \$1,000 exemption--rather than the \$1.14 per hour which the employer agreed to pay.

The librarian at the Kingston public library will have her rate increased by only \$1,168 per year rather than the negotiated

\$2,569. The laundry aide at the Barton Place Nursing Home in Toronto will see her rate rise by 38 cents per hour, or 51 cents if the \$1,000 exemption comes into effect, compared to an increase of \$1.20 per hour in a negotiated agreement.

In case you think I am talking about the \$35,000 a year people, I am not. Let me give you an example of a couple of people I am talking about. There is Joyce Morgan. In case you think I am pulling names out of a hat, I have Joyce Morgan with me here this morning. She is a single parent with three children aged 14 to 19. She takes home \$313 every two weeks, not every week. The rent for her subsidized housing is going up by 21 per cent in January. Her oldest son took a year off school to help make ends meet.

She wants him to resume his studies. He has a right in a free country to resume those studies. He graduated in the top 10 of his class in grade 12. He may not be able to go back to school. That kid may be denied the right to go back to school because he has to help his mother bring up two other children. His mother's biweekly pay, instead of being raised to \$400 or more through the natural collective bargaining process, which was our expectation over the next couple of years, will now be held to \$350 or less.

Now I ask you, is that justice? Is that the justice the Tories are going to mete out to the public employees or to any worker in this country?

Lorna Shaw, a single parent with four children, makes \$8,918 a year. She works as a social services clerk and a receptionist. Her 17-year-old daughter works and contributes to the family budget. That only makes ends meet and it is still a struggle to try to survive in this day and age. If she were on welfare, she would receive \$626 on mother's allowance. Working, she makes \$606, but it is a matter of pride and dignity for her to keep working.

She was looking forward to a well-deserved, negotiated wage increase. If Bill 179 is allowed to go through, she will be held to a maximum of nine per cent, if we can negotiate the maximum of nine per cent, and five per cent the year after. Mary Suter, the sole support of her mother, earns \$8,918 a year as a clerk in social services. To maintain a decent standard of living, she has a second job. You talk about part-time workers; she has a second job so she can live.

She works two evenings a week and on weekends. She has very little social life, as you can imagine. The strain of holding two jobs leaves her very tired and run down. I am very sorry Ms. Bryden had to leave because these are some of the things she should be looking at. I would hope you would draw her attention to that, Mr. Mackenzie, please.

If the current union negotiations had been allowed to produce a new agreement, she might have been able to give up the second job. Someone else might have that second job now to supplement his or her income. Facing the imposed nine and five--and I keep stressing, if we get nine--that will reduce her real income even more. She will have to continue in that same old grind for the next two years at least.

For all of those workers and thousands of others, the rollbacks will mean a substantial and an irretrievable drop in present standards of living. The purpose of this legislation is to introduce a permanent reduction in living standards for all Ontario workers, the organized and the unorganized, those in the public and the private sector.

Look at compensation. The definition of compensation used under this legislation also serves to emphasise why this legislation must be scrapped. It is defined in the bill as "all forms of payment, including wages, benefits and perquisites paid or provided directly or indirectly." The definition applies to unionized and unorganized workers and is applied for the five per cent year as well as the transitional years.

The five per cent or the maximum nine allowed includes wages and benefits, but the base used to calculate the five per cent is the existing wage rate exclusive of benefits. Therefore, the law will allow five per cent increases on wages but not five per cent on total compensation, including benefits. The government has used the smallest conceivable base to determine the maximum permissible compensation. Based on statements of the government itself, as well as the clauses written into the bill, a number of additional and significant injustices, inequities and anomalies can be identified.

11:10 a.m.

The Premier (Mr. Davis) has stated that one justification for imposing wage controls on the public sector is the fact that public employees have greater job security than private sector employees. That is not true. Most public sector collective agreements contain little, if any, job security provisions. Public sector workers are continually threatened by layoffs due to cut-backs, contracting out, and the use of personnel from private agencies.

If the rationale of the Premier's had any validity, why does the legislation not prohibit public sector employers from effecting layoffs during the controls period? Would this not have been a reasonable quid pro quo to expect in exchange for the wage controls that you are placing on us? Not only does the legislation not provide for the prohibition of layoffs, it also removes the ability of the unions to bargain for job security during the control period. What employer is going to concede job security for his employees when he knows we do not have the ultimate right to withdraw our labour or even go to an arbitration board?

The legislation effectively discriminates against women and halts the progress of women towards equality in the workplace. Women in the private sector are largely confined to low-wage clerical and service ghettos, so the impact of the percentage increases required by the bill will be a further widening of the gap between the higher-paid and the lower-paying jobs.

The \$750 to \$1,000 minimum increases will do very little to alleviate that problem. The Canadian Union of Public Employee hospital employees, a group which has historically been underpaid, has suffered under the yoke of compulsory arbitration for over 17 years. It has been 17 years since the government took away their right to strike. As a result of the federal Anti-Inflation Board and of provincial compulsory arbitration, this group has been awarded wage increases below the inflation rate for each of the past five years.

In other words, their real wages have been severely cut. Now, with Bill 179, the government proposes to cut their earnings for another two years. Let me tell you what the average salary in the hospitals for CUPE personnel has been for the last three years. In 1980 the average salary was \$6.64 per hour. In 1981 it was \$7.44 per hour. In 1982 it was \$8.29 per hour.

If any one sitting here can say that has been the cause of any inflation, his mathematics are very different to mine. Clearly, that is not a cause for any inflation. The hospital workers are going to be one of the hardest hit in this province. First, they will be under controls for a full two years. Unlike the majority of the public sector who will get one year, the hospital workers will get a full two years in there.

Second, there are two main unions of hospital support staff in Ontario. The CUPE and Service Employees International Union. CUPE represents approximately 18,000 members in the hospital units and the SEIU has approximately 10,000 members. These two groups have always had a very close historical wage relationship. That relationship was cemented by the simultaneous arbitration awards to the two groups by arbitrator Paul Weiler on June 1, 1981.

Bill 179 will destroy that relationship for at least two years and possibly beyond that time. Just a few weeks ago the SEIU hospital members, who do exactly the same work as CUPE members, were awarded an 11 per cent increase in a one year contract by arbitrator Martin Teplitsky.

According to Bill 179, the CUPE members will receive--if we can get it--a maximum nine per cent for the first year of their agreement, September 29, 1982, to September 28, 1983. As a result, the CUPE hospital workers will suffer simply because of the luck of a different termination date. These are dates the arbitrators, not our people, determined. We did not determine the dates. We had them imposed on us.

CUPE's chief bargaining agent, the Ontario Council of Hospital Unions, and the Ontario Hospital Association are negotiating at present with a view to standardizing nearly all items and in effect creating one agreement where 73 now exist. If we can do that, it will save this government one hell of a lot of money sitting at 73 different negotiating tables.

This standardization has obvious advantages for all concerned, including the public, who will gain from the establishment of a more rational cost-effective process. However,

Bill 179 has killed this try for standardization for at least two years. Without recourse to traditional forms of dispute resolution, there is virtually no hope that the parties will be able to come to an agreement on the nonmonetary items.

A particular problem exists with respect to registered technologists who work in the X-ray departments and laboratories of certain hospitals. Standardized and virtually province-wide salary rates were established at the beginning of the year by the award of R. L. Verity, covering technologists who are members of the Ontario Public Service Employees Union.

These rates now apply to the majority of technologists in Ontario. Two of the larger units of technologists at Ottawa Civic and Hamilton Civic hospitals, who are members of CUPE, also picked up the OPSEU rates. However, a number of CUPE hospitals were part of the central bargaining process and the technologists in those units were covered by the agreements which just expired on September 28.

In Renfrew-Victoria Hospital and St. Catherines Shaver Hospital, the union and the employer have already agreed as part of local issue bargaining to bring the technologists up to the OPSEU rates. Ultimately, it is highly likely that the remaining CUPE units would have received such adjustments. This is hardly surprising since current CUPE rates in some hospitals are over 20 per cent behind the provincial rates. It is unlikely that hospitals would be able to hold on to their skilled technologists with that kind of a wage differential. Most technologists are mobile enough to move on to a hospital which pays the provincial rate.

Unions representing employees of private nursing homes and homes of the aged have had to undertake a very long struggle to achieve parity of wages and benefits between employees working in homes and their counterparts who work in hospitals. It has been a very difficult task, but the battle was well on the way to being resolved. Most home employees would have achieved parity with hospital employees within the next year or two. The Inflation Restraint Act will freeze progress towards that goal and in some cases it will make it even more difficult to achieve. In dollar terms, the gap between hospital rates and nursing home rates will widen, due to application of the percentage formula. Arbitrators will therefore be faced with the necessity of granting very low increases in 1984 and beyond, if this gap is to be closed.

To conclude, I would like to quote to you the preamble of the Ontario Labour Relations Act: "Whereas it is in the public interest of the province of Ontario to further harmonious relations between employers and employees by encouraging the practice and procedure of collective bargaining between employers and trade unions as the freely designated representatives of employees...."

Since Bill 179 would very effectively remove the right to free collective bargaining from public employees, it is certainly not in the public interest of Ontario. After careful examination of Bill 179, we can only conclude that its implementation will worsen the economic plight of the people of Ontario and do very serious harm to employer and employee relations.

Bill 179 is an act of economic folly. It will exacerbate the economic crisis in the province and it will lead to even higher levels of unemployment.

Bill 179 is a denial of justice and a gross infringement on the basic rights of the public employee.

Bill 179 will effectively stifle free collective bargaining and free trade unionism.

Bill 179 will block all progress in the fight for equality in the work places of Ontario.

Bill 179 will inflict great hardships on many thousands of low-paid workers and their families and it will distribute the economic burden on working people inequitably and onerously.

Accordingly, we are urging the members of this committee to repudiate Bill 179 and to recommend its withdrawal or defeat.

11:20 a.m.

Mr. J. M. Johnson: I would like just dwell on one point. Some other members will get into other aspects, but I would like to dwell on the section on page 6, headed "Price Controls Do Not Exist." This is in relation to food prices, cost of housing, clothing, fuel, automobiles, appliances, etc. I am not going to comment on fuel because I am not knowledgeable about the problems relating to fuel prices.

I would like to comment on some of the other items, especially on clothing. I was a retail merchant for 31 years. I think there is price control by the marketplace itself. There is no retail merchant in Toronto or any other part of Ontario that has the ability to price products at the price at which he would like to sell them. They can try, but they cannot sell a product if it is not competitive. There is competition that sets the prices.

When one takes a look at the sales they have had for the last couple of years at Christmastime, that is a time when merchants should make a profit. For the last two or three years they have not made any profit. When they are sacrificing their merchandise at 40, 50 or 60 per cent off, they are trading dollars; they are trying to get out to pay their bank debts. A lot of them do not make it. They either close out or they are forced to liquidate or they go bankrupt. There is no such thing as freedom to sell at whatever price you want. Many people would wish they had the choice, but unfortunately it does not exist.

The same thing applies in the car business and housing today. We would all be better off if more commodities could be sold at higher prices so there would be profit to create more jobs, but that is the reality of the world today.

I had the opportunity to drive along Dundas Street a couple of weeks ago. I drove many miles, and it is just solid with rows upon rows of stores, and I would fear that many of those people will not be there in a couple of years.

There are all kinds of merchants who cannot hack the economic conditions. They are not guaranteed the five per cent increase. They are not guaranteed any increase. Many of them will show no profit and they have very little job security. Nobody guarantees them a job. If their business goes under, they go with it and likely lose their home as well.

I realize you people are presenting a viewpoint, as you certainly should, and I give you credit for it, but I think you have to take a look at the other side too. In this case I am talking about the small business people of this province. I could do the same with the rural members of my constituency, the farmers. I will leave that for some other member, but our farmers are not guaranteed any five per cent increase; they are not guaranteed anything. It is a way of life, but I think we all have to share it.

Mr. Chairman: Would you wish to respond to that?

Ms. Nicholson: Mr. Levine and then Mr. O'Connor.

Mr. Levine: What you are saying is that the free marketplace should apply as far as the level of prices go. If a merchant is not able to sell his goods, as you say, he will reduce his prices. What we are saying is, let the same principles apply in the matter of collective bargaining, in the setting of labour rates.

I think trade unionists are well aware that when the marketplace is not demanding their labour to the same extent there are changes in wage demands and wage proposals. We have seen, even without the imposition of formal controls, that wage settlements have fallen as a result of the high level of unemployment.

All we are saying is, let the free market apply both in the price level and in the labour level as well. There is no need for this kind of wage controls.

Mr. J. M. Johnson: Would this argument prevail for schools and hospitals?

Mr. Levine: Sure.

Mr. Mackenzie: Have you ever sat down and negotiated a labour contract?

Mr. J. M. Johnson: No, I have not.

Mr. Mackenzie: You should some day.

Mr. J. M. Johnson: I appreciate my lack of knowledge in some things.

Mr. Chairman: Would you identify yourself, please?

Mr. O'Connor: Terry O'Connor, from the Ontario division of the Canadian Union of Public Employees. I live in Oshawa, and the small businessmen I have spoken to are saying very much the

same thing as the people from the automobile industry who are out of work. The small businessmen are looking forward to some pretty bleak months because of the people being laid off out of the automobile industry. They're saying: "For gosh sakes, if other people's wages are going to be frozen, how are we ever going to sell our merchandise? How are we ever going to survive?"

The people in the automobile industry who are out of work are saying: "For God's sake, if the people who are working are going to have their wages frozen, how are we ever going to sell cars? How will we ever get back to work?" It seems to me that we're concerned about the small merchants and the small businessmen because they will never survive unless somebody is buying their merchandise. We've tried to advert to that in our brief.

Mr. J. M. Johnson: You must be talking to a different group of people than those I talk to.

Mr. O'Connor: Perhaps.

Mr. Mackenzie: I just want, first, to let you know that the problems that are coming about as a result of the kind of economic policies in this province and this country are affecting us in many areas. The reason that Ms. Bryden is not here with us right now is that we have simultaneously a committee going on on family violence and battered women. It was essential that she be in that particular hearing at this time.

We have before us what we have made clear we feel is both a mean and dangerous bill. More and more as we get into these hearings, it is obvious that it's not only based on fear but on deceit and lies. Some of the basic principles or problems that were to be dealt with in the bill just aren't there.

What I'm wondering is whether or not your union, as the representative of 110,000 people, apart from the case examples you brought before us, which I think is essential, will be getting the story of what is happening with this bill right down to the individual level on every single one of the locals. I'm talking about 110,000 individuals, not 800 locals. I think what we are fighting is a very basic fight on a bill that is both a bad and dangerous bill.

The only way I know that you're going to do the job is if you can get through to every one of your individual members. I'm not just talking about the locals.

Ms. Nicholson: To answer you, yes, every one of our 110,000 members will be receiving every week a news bulletin. The news bulletins will be going out to the local on the bill, the inequities of the bill, what is happening to us.

You have to recognize, gentlemen, and I thought I stressed it earlier--

Interjection: And ladies.

Ms. Nicholson: And ladies, I beg your pardon. I am pleased to see we have some. We have had the fundamental right to strike. If this bill goes through, that fundamental right to strike is being taken away from the Canadian Union of Public Employees.

Let me tell you, and I tell you this very clearly, they will not sit still for that. It may this month. It may be next month. It may be the following month. They are saying to you that they will not sit still to have their basic rights taken away from them, their wages frozen. You should be giving us the right to freely bargain, to negotiate in the economic climate that is out there. That has been given to the industrial sector, and you should give that right to us. You should give us the right to go out there and negotiate in the economic climate.

Mr. Mackenzie: I wonder also if, in getting that story across to your members, you can get across the fact that the bill came in as a one-year bill. As we now know, better than a third of the public service employees are affected for two years and about nine or 10 per cent of them for three years.

The fear that many of us have in this House, and I'll state it very clearly to you, is that we don't see the end of it at the end of that period. Indeed, if we follow even the advice of the leader of the other party, apart from the government party, it was that the bill didn't cover enough people; it should have been all exclusive; and it should have been for a longer period of time. I refer you to the Hansard of his opening remarks. Further, there should be some controls placed at the end of the control period, so that there could be no catch-up efforts.

I think it's essential that the danger of that kind of a position is also got to your members.

Ms. Nicholson: I think you have to recognize, again, that the Canadian Union of Public Employees saw the Hospital Labour Disputes Arbitration Act brought into this House. I was one of the people who was in this House when the bells were ringing, trying to lobby against it, telling you what an inequitable bill you were bringing in.

That was supposedly, back in 1965, just an interim thing that would come in. It would be off the statute books. "Get rid of the strike that's on right now and, you know, you'll be all right."

11:30 a.m.

We remember that. As in Quebec, my French is bad but they say, Je me souviens. My friends, we remember 1965. We remember the Hospital Disputes Labour Arbitration Act. We remember what you did to our hospital workers last year. Now you're trying it on the rest of our people. Next time around it won't be just the hospital workers. We have 110,000 members out there to whom you are denying justice.

Mr. Mackenzie: They not only did it last time to the hospital workers, but they're compounding it now. They're hit

almost harder than just about any other group and they're also at the lowest income level.

Ms. Nicholson: Our members are not the highly paid people. We represent more the lower paid.

Mr. O'Connor: May I add a comment to that? We necessarily abbreviated our brief itself because we recognize the time constraints that you've placed on this. We abbreviated our summary even more. I was hoping, before we left, we could urge you to read the entire brief because we do touch on these points.

We touch on the point that the controls are not just one-year controls; there are two and three-year controls. We cite specifics of that on page 14 of our brief. On page 9 of our brief we talk about lessons from history where one of the first acts of tyrants is removing some of the rights of trade unions and free trade unionism. Then they go on to remove other rights.

In our brief we talk about the lessons from history that we feel are important. We've abbreviated that in our summary you will find.

Mr. Renwick: Mr. Chairman, I would like to go back to a couple of the original statements that were made by the Treasurer (Mr. F. S. Miller) and the Premier (Mr. Davis) in connection with this bill. I don't understand the way in which the distinctions they've tried to make between the public sector and the private sector work. I would appreciate any assistance you could give me. It perhaps picks up a bit on what Mr. Johnson was raising.

I have two specific areas I want to question about. I am referring to the statement by the Treasurer in the Legislature on September 23, which was the major and only statement by the Treasurer in the course of the debate.

It appears to me that he's making two or three distinctions between the public sector and the private sector. "We as a government have always hoped that the solution to this problem would come from the private sector voluntarily." That is, the economic problem generally. "We still do. The province is not comfortable with imposing solutions on the marketplace. In recent weeks we have seen encouraging signs that such a solution is actually happening in the private sector. Both management and labour in that sector seem to be responding to strong market pressures.

"These pressures are not felt as strongly in the public sector. We do not make profits. We don't have shareholders. A large number of our wage settlements are the result of binding arbitration, a process that is not directly under our control.

"However, these facts in and of themselves do not necessarily justify wage controls, but there is one fact I am going to give you that does tip the balance. In the last year the Ontario public sector saw an employment increase of over 15,000 people, almost entirely in the education and health sectors. During the same period private sector employment dropped by 82,000

jobs. When policy makers are faced with that sort of situation their duty is clear."

Then he goes on to elaborate some distinctions and so on.

"We want those in the private sector, be they management or labour, to know that the burden of the recession is not falling only on their shoulders." Then he goes on to tell "the members opposite who have criticized this program to get on the phone to unemployed workers in Windsor. Ask them if they believe a public servant should not only have job security but also an inflation-related raise. Ask them if that is fair when half a million people are unemployed in Ontario."

Could you speak to the question of the obvious division that he's trying to draw between the private sector and the public sector with respect to working people?

Ms. Nicholson: Mr. Levine will take that one.

Mr. Levine: Mr. Miller, in addition to his comments in the Legislature, has made a number of statements outside in which he has made the claim that because public employees have some form of job security their sacrifice should be in the level of reduced income, citing the fact that many in the private sector do not have that job security.

In response to that I would say, first, that public employees do not have job security. It is a rare public sector collective agreement that does provide job security. We have not had the degree of layoffs that exist in the private sector, but we have had layoffs and cutbacks amongst our own membership.

The second point is that, obviously, there are many individuals in the private sector who have some degree of job security. Not everyone in the private sector is on layoff at present. Those people are not being asked to control their wages, they are not being asked to control in the same way that the public sector is. For that reason, it is obvious that the public sector has been singled out as the scapegoat for many problems, that the treatment is totally inequitable.

Mr. Renwick: I am glad to have your answer about that, because I have not been able to sort out that question in my mind. I had never thought there was any particular distinction in job security between the public and the private sector. The hazards were there regardless; for any employee the hazard of not having a job is always there, and I could not see any special significance in that.

Mr. Levine: The other point that I think has to be made also, and Mr. O'Connor has referred to this, is that the unemployed worker will not find employment as a result of this legislation. This legislation, wage control, will increase the level of unemployment by virtue of the fact that purchasing power is taken out of the system.

So I do not hear any unemployed auto workers in Windsor

cheering wage controls. This wage control legislation will simply ensure that they will be unemployed for longer than they otherwise would have been.

Mr. Renwick: I have not had an opportunity to read the full brief you presented to us, but if you do have any further information that would be helpful to this committee on the question of the lack of job security in the public sector area, we would certainly be pleased to receive that at some point.

The second area which both frightens and concerns me is the nature of the attack which the Premier and the Treasurer are launching on the arbitration system.

When the Premier was in Halifax this past August had this to say, "In the public sector, the role played by the arbitration system in perpetuating the inflation cycle should be reviewed." That is his first statement.

Then the Treasurer, in the statement to which I referred, had this to say: "A large number of our wage settlements," referring to wage settlements in the public sector, "are the result of binding arbitration, a process that is not directly under our control."

It seems to me that is, in two throwaway lines, a very overt attack on the arbitration system. I would appreciate any comment you might have to make about that.

Mr. Levine: If the Premier feels that the arbitration system is not working, we would support him to the hilt in removing it.

Second, when the Premier says they have no control over the arbitration system, I would remind him that the unions do not appoint the chairmen of arbitration boards. The employers do not appoint the chairmen of arbitration boards. They are appointed by the government itself.

Mr. Renwick: I guess I am naive. I had always thought that arbitration was a process by which neither side had control. That was at least my naive theory, that when each side appoints a representative and someone called an impartial chairman is appointed to head it--

Mr. Levine: That is not so, Mr. Renwick. If the two nominees to a three-person arbitration board can agree on a third as a neutral chairman, that is okay. That does not often happen.

11:40 a.m.

If they cannot agree, the chairperson is appointed by an agency of the Ontario government, and we are very dissatisfied with the choice of arbitrators. They tend to be people who do not have very much understanding of what it is like to live on limited income.

Nevertheless it is the government itself that makes the

choice of the arbitrators. We find that system totally unfair, particularly in our collective bargaining with agencies of the government itself.

For example, CUPE represents employees of the Workmen's Compensation Board. So, if a board of arbitration is established, the union appoints a nominee, the employer appoints a nominee, and the government appoints the chairperson. So we are outnumbered on the arbitration board two to one to begin with.

I repeat, if the government does not want it, if the government feel that system is unfair, we would support them. The way to resolve their concern is to abolish the arbitration system and let us get back to free collective bargaining.

Mr. Mackenzie: Maybe the Premier just did not understand--

Mr. Elston: I have a couple of quick questions. I was taken with the material about the individual situations you outlined, the three single parents, I think.

Can you tell us roughly how many of your membership might be in a category of pay along those lines? I think there that we are looking at around \$8,000 or \$9,000 for those three situations. Is there any idea how many are involved?

Ms. Nicholson: About 10 to 15 per cent of our members.

Mr. Elston: You were comparing workers, and I think there are 18,000 of your members dealing with nursing homes or something, and there are 10,000 with another organization who just got a settlement. You were suggesting that those particular people are going to be hit twice as hard, because they had been put on par recently with those other workers.

Interjections.

Mr. Elston: Hospital and support staff, my colleague told me.

You would be looking for 11 per cent for those people, to maintain that historical relationship with that group.

Ms. Nicholson: Yes, that would only keep the historical relationship if they had 11 per cent.

Mr. Elston: In other words, your preference would be to go along something like the lines of the Anti-Inflation Board situation, as to dealing with those people.

I am going to have to say this bill is likely to go through this committee and not be withdrawn, so would you answer the following hypothetical question? If it does come out of here, you would prefer something that would allow historical relationships among similar employees to exist? You do not have to answer it--

Mr. Levine: I would think that, if the bill were removed

and free collective bargaining or even interest arbitration were to prevail--in other words, if the present status quo were to remain--unquestionably a settlement would be made for the CUPE hospital workers fairly close to what the recent arbitration was for members of the Service Employees' International Union.

Mr. Breithaupt: It would certainly be your expectation that would be considered as part of the overall pattern which seems to be developing.

Mr. Levine: Right. Arbitrators most often look to other precedents in establishing their own awards. The award covering the SEIU workers would apply a great deal of weight on the decision.

Mr. Elston: Yes. Recognizing your position that this bill ought to be withdrawn, and I fully appreciate that, but also recognizing what are, I suppose, the realities of the situation, I want to talk about a couple of items.

One concerns the board itself. You need not suggest them if you do not want to, but can you suggest some of the things you would like to see if this process is developed, and how we might clean that up? I know you are concerned about lack of natural justice on that particular board. If you do not want to comment, you need not.

Ms. Nicholson: It is like saying to me: "You have two arms and I am going to chop one off. Which one would you like me to chop off?" I am saying to you that the bill has to be rescinded; it has to be taken away.

Mr. Elston: That would also go then in relation to the definition of compensation and the problems that you pointed as well with respect to the computing of the five per cent interest. You would prefer not to make any suggestions on those items, either.

Ms. Nicholson: That is right.

Mr. Elston: Okay, thank you.

Mr. Cooke: I just want to ask a very brief question. You may have already expanded on it in the entire brief but I have not had a chance to look.

First of all, there is a very small section on the effects on women within your union and I wondered if you could expand on any projections of what it is going to mean in the widening of the gap and how many women, in fact, there are in your union who are affected by this bill.

Ms. Nicholson: Approximately 50 per cent of our membership are women.

Mr. Cooke: Do you know how the gap is going to be widened because of the application of a percentage which obviously favours those at the higher income levels?

Ms. Nicholson: On page 21 in the brief we go into that closer on equal pay (inaudible) on the estimation. We are saying it is \$313 a year, even with the \$750 to \$1,000.

Mr. Cooke: It is going to widen it by another \$313 a year, and that is even with the so-called, as you said in your brief here, fairness we keep getting thrown at us by the Premier and by the Treasurer of up to \$1,000 that is supposed to be the sensitivity of this bill to those on low incomes.

Ms. Nicholson: Absolutely, because our women are mostly in the lower paid areas, clericals and the service ghetto there. The percentage, even with the \$750 or the \$1,000, is not going to narrow that gap.

Mr. Cooke: The other point, too, is that you mention that approximately 50 per cent of your Ontario membership are women, but in the hospital sector and homes for the aged the group that will be hardest hit--in other words, they will be under control for two years--approximately 85 per cent of that membership is female.

Mr. Chairman: Thank you very much for your presentation. We will carry on with the next one.

Gentlemen, I would draw your attention to the fact that we have 40-odd minutes left and we have three presentations scheduled.

Ms. Nicholson: Mr. Chairman, may I say thank you to the committee for listening so intently? We have appreciated the fact that time is of the essence with you and we appreciate the fact that you have recognized that we have given you one overall goal for 110,000 people, but I still would like you to, please, as a committee of people, go over the full brief because in the full brief we take you through pensions and how that is going to hit us over the two years for anyone retiring, which we have not touched on here. Please do not think that that summary is the full theme of our brief.

Also remember what I said about free countries in this world, because we all take a look at Poland and we all say, "My God," and we take a look at Turkey and we say, "My God."

Let me tell you gentlemen: last year I happened to be in Singapore on business and I sat with the free trade unions of this world and they all looked at Ontario and in seven languages they all said, "My God, what are you doing in Ontario in the aftermath of what the Tory government did to hospital workers?" Think of what they are going to say about you this time around.

Mr. Chairman: The next group is the Canadian Organization of Small business, Mr. Geoffrey Hale.

Mr. Renwick: This is the first time in the history of the Legislature that we have had two guests of Her Majesty before the committee in one day. Both Mr. Sean O'Flynn and Ms. Lucie Nicholson spent time in Her Majesty's institutions because of breaches of this government's labour laws.

Mr. Chairman: I see. That is how you refer to them, guests of Her Majesty?

11:50 a.m.

Mr. Renwick: Yes. You did not know that Nicholas Leluk was a representative of Her Majesty to look after the institutions of incarceration in this province.

Mr. Chairman: No, I did not realize that was his title.

Mr. Renwick: Perhaps we could ask our next friends if either one of them had spent any time in one of them.

Mr. Chairman: I will let them bring that up as they wish to. Could each of you please identify yourself?

Mr. Hale: Certainly, thank you, Mr. Chairman. My name is Geoffrey Hale. My associate here is Mr. Walter Carson, director of public affairs for the Canadian Organization of Small Business. I am director of policy and government relations.

The Canadian Organization of Small Business welcomes this opportunity to appear before the standing committee on the administration of justice in support of Bill 179. Sitting through this morning--it was most enlightening and most interesting at times, I must say--it seems to me that I am coming in on the other side of the two solitudes.

The Inflation Restraint Act is an important step in bringing provincial and municipal government spending under control in this province. The unprecedented combination of double-digit inflation and unemployment has contributed to the worst economic crisis in more than a generation. It is essential that the burdens of hard-pressed Ontario taxpayers be limited if consumers and businesses alike are to regain the confidence to spend and invest in Ontario's future--a confidence essential for economic recovery.

Prior to the Ontario budget of May 1982, COSB strongly urged the government to impose strict restraints on the compensation of its own employees, those of provincial crown corporations, municipalities and school boards. COSB commends the government for having taken this long overdue step.

While COSB strongly supports Bill 179 as a major step in bringing government spending under control and in contributing to the battle against inflation, this legislation is only one of several steps that must be taken if Ontario is to reorder its economic house and start along the road to recovery.

For those of you who are not familiar with us, I would like to tell you a little bit about our organization. The Canadian Organization of Small Business is a nonprofit, nonpartisan organization which represents owner-managed businesses and independent professionals in virtually every sector of the economy. Founded in August 1979, COSB now has more than 5,000 members. Its membership is primarily composed of retail 17 per

cent, service 30 per cent, and manufacturing businesses roughly 26 per cent.

Those figures have changed from those in your brief. I have since received updated figures and it is quite clear the impact of the economic situation on certain sections of our membership relative to others. Firms with fewer than 10 employees represent 69 per cent of COSB's membership; 85 per cent have fewer than 20 employees.

The small business community overwhelmingly supports the measures taken in Bill 179 as an essential step in a meaningful policy of government spending restraint without which Canadians would continue to suffer from excessive unemployment and inflation. We recognize that the Ontario government controls relatively few of the factors contributing to inflation. However, it is the responsibility of all levels of government to provide a consistent example of leadership in linking increases in salaries and wages under their control to improved productivity, and to apply similar criteria to administered prices wherever possible and realistic.

Bill 179 must be part of a larger and more comprehensive approach to attacking the structural causes of inflation in Ontario. It is essential that governments at all levels recover a far greater degree of flexibility in the management of their expenses than at present. Staffing requirements, the restrictions imposed by many union contracts, the pressure to index wages and social benefits to inflation, and a number of other factors have tended to give a ratchet effect to government spending.

It is essential that governments should operate by the same standards as ordinary taxpayers, both individual and corporate. Neither independent business owners nor most Ontario taxpayers can afford to spend their incomes without regard for some form of bottom line.

Current economic circumstances and simple common sense require us to set priorities in order to survive in business and to meet our families' basic needs. While this often means doing without certain things for a time, it is a reality with which many people in government seem to have lost touch. The time for politics as usual or business as usual is over.

Current economic conditions reinforced by the government's restraint policies, give both governments and the private sector the opportunity to improve their productivity and in the case of the private sector, it is competitiveness by re-evaluating many of the complacent budgeting and management practices of recent years.

The gentleman from Riverdale, Mr. Renwick, asked the difference between the public and private sector. The difference is if we do not make those decisions on our own, our customers will not buy our products and we will go out of business.

However, this requires that both public and private sector management have the skill and the will to challenge entrenched attitudes and many of the sacred cows that have become a barrier

to providing value for money to taxpayers and consumers. A commitment to restraint and to restoring value for money across the board is essential if provincial and municipal governments and school boards are to keep faith with the taxpayers of Ontario.

The Canadian Organization of Small Business strongly urges that the benefits of productivity gains be shared both with managers and employees in such a way as to create incentives for a value-for-money approach, rather than the incentives for excessive spending that are regrettably still present in many areas of the bureaucracy. The 1982 Ontario budget was a major step in this direction for the private sector, increasing the after-tax rewards for efficient business operation and refusing to follow many of the wrong-headed, counterproductive measures of the 1981 federal budget.

Bill 179 has been challenged on several grounds. It has been suggested that the limits it places on civil service compensation are no more than a token effort at restraint. It is up to the government of Ontario to prove these critics wrong.

Leaders of public sector unions in particular have suggested that their members have been singled out for harsh and unfair treatment. We are confident, both from the results of published public opinion surveys and from frequent contact with Ontario public servants, that the majority of government employees understand the advantages that most of them enjoy relative to the average taxpayer, and certainly to the unemployed, in terms of job security and other benefits of working for the government.

We recognize that those benefits are not absolute; that in relative terms, as Mr. Johnson so ably and so eloquently pointed out, the small retailer, the small businessman on the main street of Mount Forest or the main street of any one of your towns and cities across Ontario do not have half the protection from taxpayers' funding and from other institutional supports that the average employee in the public sector enjoys.

In this context, we doubt that the leaders of public service unions who accuse the government of heinous crimes against government employees with regard to Bill 179 are in touch with economic reality, the views of a great many of their members, or the Ontario public at large. Frankly, Ontario taxpayers, in general, and small business owners, in particular, have little patience with this kind of political posturing.

Canada is in a depression. More than 10,000 businesses will go into bankruptcy before the end of 1982. It is looking like over 11,000 now and there are four times as many business failures that you can add on top of that. More than 500,000 Canadians have joined the unemployment rolls in the past year. A major reallocation of resources is needed, both within the provincial and other levels of government and within the private sector. The Canadian economy is in a tail-spin and the bottom is not yet in sight. In short, action is needed and it is needed now.

The small business community in Ontario views the five per cent limits on wage and salary increases in the public sector with

mixed feelings when they consider their inability to maintain both the real value of wages and salaries and the employment levels of previous years. It can safely be said that small business has been actively involved in fighting inflation. Most small business owners would be happy if they could afford to give many of their employees a five per cent increase.

On average, 50 per cent of businesses in Canada have made a profit over the last number of years. Today, it is more in the range of 20 to 25 per cent. Indeed, many business owners have taken a significant reduction in personal income from their business since 1980.

12 noon

Future wages and salary patterns across the independent business sector will depend, in large measure, on the success of individual companies surviving the present depression and, to a larger extent, to the contract settlements reached by larger firms. As market conditions are having an increasing impact on contract settlements in big business, the Canadian Organization of Small Business is confident that both management and labour will see the wisdom of co-operating in order to increase productivity in competitiveness in a difficult economy without the coercive effect of government-imposed wage and price controls. Indeed, such controls might remove all incentives for managers and unions alike to adjust their expectations and manner of doing business to the changing reality of the 1980s.

As we said earlier, Bill 179 is a good start in any meaningful program of restraint in government spending. However, it is essential that the attempts to curb the growth of provincial and municipal spending and, indeed, to reduce that spending in absolute terms, do not end with this legislation. A number of other important steps should be taken for the Ontario government's reallocation of resources to be successful in substantially reducing spending and the provincial deficit so that they are not contributing significantly to inflation or hampering economic recovery in the province.

COSB has already suggested the following actions to the government as necessary and realistic steps in reinforcing financial responsibility within the Ontario and municipal governments and other taxpayer-funded bodies.

The Ontario government should make increased use of contracting-out provisions to deliver government services and to perform internal functions. There are many services now provided on a monopoly basis by full-time government employees which could be done more cheaply and more efficiently in no loss in the quality of service by independent contractors. Examples of such services currently in place include courier services, janitorial services and the GO-Temp services. These are areas where the Ontario government has looked for areas to contract out and we strongly support the extension of that program.

Management Board and the Ministry of Government Services should perform a full-cost audit of all government departments in

order to determine which services could be provided more economically by a competitive private sector or by competitive bidding by private contractors to overcome the harmful effect of unnecessary government monopolies.

Due care should be taken that the use of contract employees does not result in an increase in the total number of person-years in government service. It is no good just to shuffle the numbers from one bookkeeping ledger to the other if an increase in the total results.

The government should make an increased use of user charges to make costs more visible to the taxpayer and to create stronger political incentives for cost effectiveness in government. COSB strongly supports the retention of the current Ontario health insurance plan premium system with the addition of a family deductible of \$100 for all families not covered by premium assistance. COSB would also support a greater emphasis on cost recovery in government services, including those to the business community.

Legislation governing arbitration awards in public and parapublic sectors should be amended to ensure that arbitrators are required to take the interests of the taxpayer into account in the making of financial awards and the determination of working conditions. The ladies and gentlemen who preceded us here spoke at great length about their dissatisfaction with the interest arbitration system. Imagine how we as taxpayers feel, that our interests are not directly represented in these decisions.

COSB supports the concept that ability to pay should be made a major criterion of arbitration awards dealing with local governments and parapublic agencies. Bill 179 should be amended to prevent arbitrators from granting catch-up awards to nullify the effects of the wage restraint program. This legislation and these hearings would become an exercise in futility if arbitrators were to be permitted to make catch-up awards on the pattern of the years since the 1976-78 controls.

COSB sincerely hopes that the province will place the highest possible priority on limiting spending increases in all areas of government activity to a maximum of five per cent in each of the next two years. Recognizing the tremendous pressure that the present economic situation places on certain social services, this may result in a reduction in the absolute level of spending in certain areas.

Finally, COSB would prefer the controls period mandated in Bill 179 to extend over a minimum period of two years. Bearing in mind even the significant efforts of certain parts of the government to improve productivity and value for money in government spending, the magnitude of the present economic crisis is such that it is unlikely that a one-year program will afford the government the time or the resources it needs in order to regain its flexibility, reduce the deficit and transfer resources from relatively nonproductive to productive uses.

The Canadian Organization of Small Business is strongly

committed to furthering policies that will provide a basis for strong, long-term growth. To accomplish this, it is critical that the barriers to economic growth created by inflation, the growing level of the deficit and the cost of provincial debt financing, and the taxes that will be needed to pay for these costs, be dealt with directly and without delay.

During the past 15 years Canadians have built many rigidities into the economic system in order to second guess the operation of market forces and reduce the hardships that these forces may occasionally inflict on individual Canadians. Unfortunately, this compassionate excuse has been exploited by interest groups seeking to expand their controls of various markets, whether these groups are business, labour or government regulation.

Governments at all levels have been prime movers in attempting to insulate themselves from the impact of economic change, but they are certainly not alone in this. Big business and organized labour have worked equally hard to use their political leverage to insulate themselves from the impact of inadequate management and wage and salary structures that ignore the need for profits and productivity to maintain economic growth.

Today, Canadians are reaping the results of attempting to shut out the future behind the paper walls of bureaucracy. Bill 179 is a constructive attempt to break down some of these walls and to let in the fresh air of change. Whatever inequities may be perceived by critics of this legislation, it should not require an army of bureaucrats to administer, as would most of the alternatives that have been suggested.

The Canadian Organization of Small Business appreciates this opportunity to present its views on Bill 179 to this committee and we recommend that it favourably consider this important legislation.

Mr. Chairman: Thank you. Mr. Cooke, before you commence, may I say, so that members can update their schedules, the Retail Merchants' Association has given us briefs; they cannot wait and present it orally, so I would simply ask you to strike that group from your schedule. However, their brief will be circulated as exhibits 9 and 10. Let us make the blue one 9 and the white one 10.

Mr. Cooke: I will be brief. I am always amazed when I hear your presentations because you usually say the politicians are completely out of touch. I would suggest that some of the things you are suggesting in here, contracting out, job loss, balanced budget at a time of a government depression--

Mr. Hale: I did not say that, Mr. Cooke.

Mr. Cooke: Well, certainly cut back to the point where the goal would be to bring a balanced budget out as quickly as possible.

Mr. Hale: Did I say that, Mr. Cooke, or are you putting words in my mouth?

Mr. Cooke: No, I do not have to. All I have to do is review the brief.

I would suggest that perhaps you should visit some of the communities--maybe come to one of my office hours on a Saturday morning and meet with some of the people who are unemployed and then suggest the government should cut back on its expenditures.

In any case, what I do want to ask is I note that one of the areas you do not suggest should be cut back--and you mention the budget of May 13--is in the area of tax expenditures. I note that one of the major new expenditures of government on May 13 was a \$250-million tax expenditure to small business--only those small businesses, as you know, that were making profits and were incorporated.

I am wondering if there were any tax expenditures you thought were extravagant on the part of government, maybe not fulfilling their role of creating the thousands of jobs that they are supposed to be designed to create, and if you have any concrete, positive suggestions of areas there where there should be cut backs, because a tax expenditure, as I am sure you would agree, is an expenditure.

12:10 p.m.

Mr. Hale: Mr. Cooke, we have a semantic problem here because I believe as a taxpayer that it is my money until the government takes the surplus, not the other way around. That tax expenditure philosophy could quite easily be used to argue that everything we earn as Ontarians belongs to the government. In fact, there is a story that goes around that the only loophole left to plug in certain areas is called income. With respect to the tax incentive programs or tax expenditures, as you call them, we have not done a detailed study of those areas.

Frankly, we would prefer to see the federal and provincial governments get together so that one does not have to be continually offsetting the actions of another as was the case with the two-year temporary reduction of the small business corporate tax you referred to. That will go some small way to offsetting the actions of the federal government in screwing the small business sector in its November 1981 budget. Why should we have to pick it up here in Ontario as opposed to letting the feds do it? Well, the businesses that are making a profit are probably the ones most likely to create jobs.

Secondly, rather than 50 per cent of the number of small corporations that normally make a profit for income tax purposes, the figure is now closer to 20 or 25, so somehow I do not think the \$250 million figure you quoted will be anything like that. Thirdly, what additional tax expenditures or tax incentives could be reallocated? We have suggested to the Minister of Industry and Trade (Mr. Walker) that a number of programs in that department--and I speak of programs rather than tax incentives--are not giving the best value for money to the Ontario small business person or the Ontario taxpayer in general and that the money that is in those programs could be redeployed far better than it is now.

Mr. Cooke: So the answer to my question is that you do not see any tax expenditures that could be cut back.

I am wondering if you could also explain to me the theory behind contracting out and how that will contribute to an economic recovery in Ontario and what you would plan on doing with the government employees that lost their jobs due to contracting out.

Mr. Hale: There is a considerable turnover in the number of government employees at present and it is quite possible that employees in certain areas which are selected for phasing in to contract that situation, or which might be put out for private contracts or private competitive bidding, would indeed catch on with the companies that were bidding for their services because in most cases the companies would have to expand their capacity and they would be hiring new employees.

As to the second area, the employees who are not in a place where they could take voluntary retirement could be offered other existing jobs within the government. That would be subject to normal turnover. We think this could be done without throwing any more people on unemployment roles where we, as employers, would have to pay higher unemployment insurance premiums to support them.

Mr. Cooke: The idea is that transferring these jobs from the public sector to the private sector and contracting these items out will mean that somebody will continue filling those jobs but that the wage rate will be much lower and therefore, again, consumer buying power.

Who is going to buy your products in small business if there is more and more contracting out, if we limit wages. Who is going to go into your small businesses and buy the products? Are you not concerned about the decrease in consumer buying power?

Mr. Hale: You are looking at a static world, Mr. Cooke. You are looking at a world which has not changed from 50 years ago and which will always be the same. That kind of static view of the world is one of the things that has got us in trouble where we are right now. The world is changing.

Mr. Mackenzie: We have had static governments for 50 years too. You might take a look at that.

Mr. Hale: I will let the government members answer for themselves. They can do it better than I can.

The world around us has changed. Products that were in high demand 10, 15 or 20 years ago--two-ton automobiles with large fins at eight miles per gallon-- are no longer being purchased. Similarly, small businesses that stick with the same product year after year, regardless of changing consumer demand, go out of business.

The same rule should apply to government. If a certain service is being provided in a certain way with a certain number of employees now, God help us if we keep it until kingdom come.

I do not know what we would have done in the days when we were changing from the horse and buggy era to the internal combustion engine if you had been in charge of the redeployment of stable operators. I do not know what we are going to do with people who sweep out stables, but obviously there are no more jobs for them. The same thing is happening with the government of Ontario and we cannot afford to box ourselves in. We are not saying put every single public service out to public tender because there are certain services which no businessman in his right mind would touch.

Mr. Cooke: What about ones in the private sector? I have one final question. I just want to ask you, do you think the provincial deficit of this government is out of control? You seem to indicate that from your budget. Do you think it is out of control?

Mr. Hale: That depends what you mean by control, Mr. Cooke.

Mr. Cooke: Well, what is the word that you used? I think you used the word "control."

Mr. Hale: I do not believe that the government is able to control the level of its revenues and certainly it has room for greater amounts of control in its spending, so you can interpret that any way you wish.

Mr. Cooke: I would not want you to have to say that your Conservative government has a budget that is out of control or a deficit that is out of control. I do not think it is, but you seem to indicate that from your brief and I just thought perhaps you would want to give a definitive statement.

Mr. Hale: We are concerned that it could easily, without Bill 179, get out of control. One of the ways we stay in business, especially in the small business sector, is trying to identify problems before they become unmanageable. The businessman or the union leader or the politician--

Mr. Cooke: How do you determine when a budget is out of control?

Mr. Chairman: Excuse me, he should be allowed to finish that sentence.

Mr. Hale: Quite frankly, I do not want to wait until it is clearly out of control, Mr. Cooke, and I do not want to have to make that decision when the time comes. I think we should be managing affairs, whether it is in our own personal lives, whether it is in our own businesses, whether it is in our government here in Ontario or in any municipality in the province, so that we look far enough ahead that these things do not get out of control.

If there are signs that there are areas which we cannot control, which are contributing to a greater and greater degree to our inability to make ends meet or to keep the deficit under some

kind of reasonable limits--I think it has exceeded those limits right now--then obviously we have to take the steps that are needed to ensure that we do have control. I am not going to second-guess the Treasurer (Mr. F. S. Miller) to determine whether indeed he has passed the point where he has lost control. I sincerely hope, on behalf of the taxpayers of this province, that he has not

Mr. Cooke: We would not want to second-guess the Treasurer.

Mr. J. M. Johnson: Mr. Hale, I would like to ask a couple of questions and seek one point of clarification. CUPE naturally has a point of view that it makes on behalf of the unions and I respect that. Also, you are making your approach on behalf of the small business people of the province.

Mr. Cooke: I beg to differ with you, Mr. Johnson. This group represents 5,000 out of 250,000 small businesses and I would hate to think that all small business people in our province are as right wing and conservative as this group.

Mr. J. M. Johnson: Mr. Cooke, you agree with everything that is stated by the union people and I just happen to accept most of the things that Mr. Hale says, and that is a different philosophy. Whether it be 5,000 or 20,000, it is immaterial to the fact that these people do have a point of view that they wish to express and they should have that opportunity.

There is a point I want to clarify with you, Mr. Hale. Correct me if I am mistaken as I do not want to say something that is incorrect. I understood one of the people from the union saying something pertaining to the Oshawa business community that they did not feel that Bill 179 would be beneficial. Is that correct? Did I state that fairly? If that is the case, is that your assessment of the business community?

12:20 p.m.

Mr. Hale: No, it is not, Mr. Johnson. We had the opportunity to meet with a number of our members in the city of Oshawa, people who represent a broad cross-section, retailers who are on the main street of Oshawa, to manufacturers who are supplying General Motors, to any number of other service businesses that do not have any direct contact.

The feeling was overwhelming that the provincial government should take steps like this. Indeed, they would have gone further in many areas. We recognized the constraints under which the government is operating, but overwhelmingly they were of the view that the government was operating on a standard which they as independent business people or the big boy in the town, GM, could not possibly sustain, and the economy was a lot better than it is now.

I know that our members who have talked to us in Oshawa, those of them who are still in business, would strongly support the government in this.

Mr. J. M. Johnson: Mr. Hale, I am not familiar with the Oshawa area, but I do know that in my own riding nearly every businessman I have talked to is in support of Bill 179.

I do not have any more questions for Mr. Hale. Mr. Chairman. I should like to make one brief comment, to express my regret that Mr. John Gillespie of the Retail Merchants' Association will not be able to make a personal presentation. I would ask John if he would follow the hearings. If he has some comments to make, I personally would like to hear them.

Mr. Chairman: Thank you for your patience, Mr. Gillespie. It is unfortunate that you cannot hang in beyond the scheduled time.

Mr. Renwick: I am also distressed when any group has made the effort to come before us and we are not able to schedule and meet its convenience. I certainly hope that you, Mr. Chairman, or the clerk of the committee, would be in touch with the Retail Merchants' Association to find out if there is another suitable occasion on which they could be scheduled to appear before us.

I always have a little bit of difficulty with Mr. Hale. We come at the world somewhat differently.

Mr. Hale: It is only a little differently, Mr. Renwick. We are improving.

Mr. Renwick: I find the extravagance of his futuristic comments and his very generalized statements often difficult to come to grips with.

I took it, basically, that one of the positions of your organization, sir, is to attack the provincial government and the municipal government and the agencies of both of them for having overspent. Without being semantically in an argument with you, having read your statement, "The Inflation Restraint Act is an important step towards bringing provincial and municipal government spending under control," I take this to be an attack on the responsibility of the elected politicians at both levels of government here. Is that your position?

Mr. Hale: Mr. Renwick is a good lawyer and a very attentive reader--

Mr. Renwick: I am here as a politician. I want to know what you are saying.

Mr. Hale: --and he has articulated the precise point we have brought to the Treasurer's attention on several occasions over the past year.

We are deeply concerned that spending levels have exceeded the level that we would have recommended. Certainly, over the last two years, when all spending is taken into account, Ontario government spending has been over the rate of inflation. That, to our mind, is not desirable, and we have said that on a number of occasions. So you are correct, sir.

Mr. Renwick: I am surprised that some members of the government party on this committee have not responded to that since, by and large, the provincial government and its agencies and municipal government and its agencies have been under the control of the Conservative Party of Ontario. I am surprised they would allow that attack on their capacity to manage the affairs of this province to go unmatched.

The second question I should like to ask you has reference to the organization of the Canadian Organization of Small Business and your 5,000 members. Could you estimate how many employees there are among those members you have?

Mr. Hale: Last year we estimated approximately 75,000. With the economic situation and the number of business failures, that would be reduced somewhat. I would say that a range of 50,000 to 60,000 is probably not too far out of line.

Certainly we have noticed that in our renewal statistics over the first couple of years we have been in operation, of the people who did not renew, only 50 per cent were out of business. That figure has risen to 80 per cent, so we know there have been a number of job losses.

Mr. Renwick: Has your organization done any survey with respect to the wage scales of the employees of its members?

Mr. Hale: We have attempted to do surveys, Mr. Renwick. The difficulty that we have is that it is very difficult to get precise information out of a small business man. He does not like giving it to us in any more detail than he does to any level of government.

Second, in comparing apples and apples, as opposed to apples and oranges, we have such diversity of members that it is difficult to make broad statistical projections. However, we have met frequently with members of our business action teams around the province. These are people drawn from a cross-section of businesses in their communities and they would be, as a whole, representative of our membership. They have indicated to us at our regular meetings, especially in the retail sector and to a slightly lesser degree in manufacturing, that they have been averaging under five per cent in the wage increases they have granted over the past two years.

Mr. Renwick: That was not my question. My question was, what is the wage level? Have you any information about the wage level? I am not comparing apples with oranges. The great common denominator in our society is the dollar. What are the dollar wages of those employed by members of your organization? Do you have any information on that?

Mr. Hale: I would not have any clear information that I would be able to give to this committee.

Mr. Renwick: You have no information? Are any of those employees organized?

Mr. Hale: Ten per cent. I do not know if it is 10 per cent of employees. I believe it is 10 per cent of businesses, inasmuch as those businesses would be--probably most of them--in the over 10 employees group. I think the survey we did a year or so ago indicated that virtually all, outside the construction sector, had over 10 employees. So they are probably about 20 to 25 per cent--

Mr. Renwick: Do you have any specific knowledge about how many of the employees of your 5,000-member organization are organized?

Mr. Hale: We would estimate it at between 20 and 25 per cent, based on the information provided to us in our surveys.

Mr. Renwick: Could you provide us with the information, on the basis of which you made that statement?

Mr. Hale: Yes, we can.

Mr. Renwick: What are the unions represented there?

Mr. Hale: We did not ask.

Mr. Renwick: You did not ask.

Mr. Hale: It is not particularly relevant to our research which unions are representing our members. As I said, most of them tend to be concentrated in the manufacturing and construction sectors.

Mr. Renwick: Mr. Hale, I was struck in the course of your presentation with the similarity of your views with those put forward in the assembly by the Liberal Party, particularly the statement on page 6, which is almost word for word that the leader of the Liberal Party made that Bill 179 should be amended to prevent arbitrators from granting catch-up awards to nullify the effects of the wage restraint program.

Mr. Hale: I do not know when Mr. Peterson made those remarks.

Mr. Mackenzie: September 23.

Mr. Hale: Quite possibly it was after the last conversation we had on it, but we were very pleased to see that he had accepted the position we have been promoting for some time.

Mr. Mackenzie: Also longer (inaudible) controls.

Mr. Renwick: That particular point, plus your position about government overspending, are the positions of the Liberal Party of Ontario.

Mr. Hale: I am glad to see that the New Democrats in this room do not automatically identify us as a mouthpiece for the government.

Mr. Renwick: I have no problem identifying you with the government. I would think you are estranged from the government because you have attacked them unmercifully in your brief.

Mr. Hale: We hope they are always receptive to constructive criticism. We have found that the Treasurer is, and as for the rest of the government--

12:30 p.m.

Mr. Renwick: Could I perhaps move briefly to two other areas?

Both the Treasurer and the Premier--the Premier in Halifax--have stated that these are the goals which will be achieved by this program, and I'd like your comment upon it: "Public sector expenditure restraint: Reduced government demands on the capital markets also will contribute to reducing pressure on interest rates." I am now talking about Bill 179. "Public sector cost reductions will be passed through to the private sector in the form of lower increases in taxes, user fees and charges for government services."

That statement was repeated by the Treasurer in the assembly when he said, "First, public sector cost reductions pass through to the private sector in the form of lower tax increases, user fees and charges for government services." Is that your understanding of what this program will accomplish?

Mr. Hale: I know that's what it is intended to accomplish. That's the general tenor of our brief. By itself, Bill 179 cannot accomplish all of these objectives at the same time unless it is supported by extensive measures through other areas of government. Quite frankly, from the size of the deficit and what we foresee through our very cloudy crystal ball as the likely economic situation over the next year or two, I don't know that by itself it would improve things dramatically. It may prevent things from getting a lot worse.

We hope that the other steps we recommended will be taken in order to turn things around and start it on the upward climb again.

Mr. Renwick: My next question is with respect to the second way in which the Treasurer says it will help to fight inflation: "Decreased government demands on the capital market ease pressure on interest rates." Do you have any knowledge of any demands on the capital market made by the government of Ontario or by any of the municipalities in Ontario that have been creating interest rate problems in Canada?

Mr. Hale: Actually, the demands on capital markets will likely only take place when the government stops financing its deficits and that of its agencies by borrowing from the Canada pension plan and the plans of public sector employees.

One of the things we have suggested to the Treasurer in very strong terms is that the government, along the lines of recommendations of the Haley commission, provide for withdrawing or changing the nature of its demands on these pension funds in order that the taxpayers of future years are not faced with a huge bill from the government's current methods of borrowing.

Mr. Renwick: Let me just try to narrow the focus of my question.

Mr. Hale: In the current year there is no funding in public markets. According to the budget documents, it is all funded out of various pension plans.

Mr. Renwick: All I'm saying to you is that in the last five years, four years, three years, two years or one year has there been any demand made by any government in Ontario, either provincial or municipal, which has created any pressure on interest rates?

Mr. Hale: Going back five years, I don't recall; the last two years, no.

Mr. Renwick: This is my last question, Mr. Chairman.

The Treasurer said that the third and the most important of his purposes is what he calls, a delightful term, "'the demonstration effect' signalling an era of lower wage settlements to the private sector."

What signal have you taken with respect to wage settlements from the message of the Treasurer? What message are you giving to your 5,000 members about wage levels?

Mr. Hale: My response to that question will be the same as my response to Mr. Lalonde when he made the comment to us with regard to the federal government's six and five per cent program: "It's nice to see you on board because we've been doing it for a long time."

Mr. Renwick: I want to try again to narrow my question to Mr. Hale. What are the suggestions or ideas which you're communicating to your 5,000 members with respect to wage levels for the unorganized employees employed by your members?

Mr. Hale: We're suggesting that they pay their employees salaries sufficient to (a) stay in business and (b) retain their ability to compete for skilled employees. If they cannot provide them with a cash payment now, we strongly recommend such things as profit sharing, where that is possible, in order to ensure there is a win-win approach rather than a win-lose approach to the matter of coping with the short-term cash problems created by the depression.

Mr. Renwick: Thank you, Mr. Chairman. I look forward to our next meeting with Mr. Hale.

Mr. Mackenzie: I have one question. Are you advocating that the control program be extended to the private sector as well?

Mr. Hale: No, as Mr. Johnson pointed out, we believe this would be superfluous. Especially in large corporations, it would remove all necessity for employers and unions to talk to one another and work out something that's going to work for both of them in the long term. We should be getting out of the labour relations pattern of the 1950s, 60s and 70s and moving to a more cooperative and far-sighted approach to the matter of wages and benefits in the private sector.

This has been the pattern in previous control periods. I don't blame the unions for not negotiating when there is little or nothing to negotiate. It takes pressure off many private sector managers as well, at least the ones that don't have their heads together.

Mr. Mackenzie: Your position is the same as that of 35 top industrial leaders who recently met with the Premier of Ontario. They told him they didn't want controls in the private sector but to keep it up in terms of the public sector. Don't you find a little bit of a double standard or hypocrisy in that position?

Mr. Hale: No, I don't. Taxpayers do not have the choice of withholding their taxes if they are getting products or services above the price they choose to pay for them or if they are getting services that are below the standards they believe they are entitled to.

In the private sector we don't have that option unless we give the consumer--I'm not talking about the largest corporations which until recently have managed to insulate themselves by crawling in bed with various governments from the impact of world competition. We don't have the option of just putting our goods on the shelves and telling the customer to take it or leave it because he'll leave it.

The government and the public sector unions should together recognize that the taxpayers have a very great interest in seeing value for money in the public sector. There's a question of productivity and a need to put in incentives for greater productivity for all employees, not just managers, in the public sector. Controls are necessary in order to restore some flexibility to the way government is run.

One of the proposals we have made to the Treasurer (Mr. F. S. Miller) and to the Chairman of Management Board (Mr. McCague)--we don't have all the details here because it's an exceptionally complex subject with endless wrinkles in it; I recognize that members here would not want to spend the hours needed to discuss how it would be put into effect--is the idea of setting up a productivity pool for both managers and employees in various parts of the public sector. Then when a budget reduction objective was met, the employees would share a portion of that, just as employees in many parts of the private sector share savings from the cost of productivity improvements.

In order for that to work, it would have to be done in a situation where people were not thrown out on the street, as Mr. Cooke rightly pointed out. We're working on some of the technicalities. Obviously, the government has more in-house expertise on this than we do.

Mr. Mackenzie: You don't give any credence to the fact, or it doesn't matter, that the wage increases in the public sector have actually been behind the private sector, even in the higher paid groups like teachers for at least three consecutive years.

Mr. Hale: In some parts of the private sector, yes; in other parts, no. Inasmuch as the workers at General Motors of Canada Ltd., Inco Ltd. and other companies are right now suffering the impact of poor management decisions, perhaps we would be better off leaving bad enough alone there. I'm not at all sure controls would improve that one bit.

Mr. Mitchell: I have one quick question, and I believe it goes back to the question Mr. Renwick raised with you. I gather you are suggesting that all government departments and ministries should follow zero base budgeting procedures?

Mr. Hale: That would be an excellent way of going about it. Certainly, there is a need to stand back and cut through a lot of the rationales that are thrown up by people who have built a career in producing and marketing a certain service or function within the government. The only way you can do that is to ask the question, what would happen if we were not here? How could the service be delivered or produced differently?

I just had the very enlightening experience of spending two days in Ottawa with the president of the Federal Business Development Bank. I know this is not a provincial agency, but you could say the same thing about the Ontario Development Corp. or the Northern Ontario Development Corp. or Eastern Ontario Development Corp. The question was the bank has exhausted its original mandate. Times have changed. Now what do we do with the FBDB?

His answer was, "We have got all these new opportunities that we can go out and develop--onwards and upwards." The one question that was not answered to our satisfaction was, is there any way we could take the \$104 million we have poured down the FBDB last year and somehow get the same results for small business and the others who use it at a lesser cost? We pushed this for a good four hours and the only answer we got was, "You would not want to do this because all these other programs would just be subsidies too."

Zero base budgeting is a very good way to go, that is, zero base budgeting using people who do not necessarily have a vested interest in the maintenance of those services and the way they are performed.

Mr. Renwick: Mr. Chairman, before we adjourn could you give me any indication of how readily the Hansard transcripts will be available? Perhaps over the lunch hour you could give us the information.

Mr. Chairman: Fine, thank you. It being well past 12:30, we will adjourn and commence with the Confederation of Canadian Unions immediately upon reconvening at two o'clock.

The committee recessed at 12:42 p.m.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

INFLATION RESTRAINT ACT

WEDNESDAY, OCTOBER 20, 1982

Afternoon sitting



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
Brandt, A. S. (Sarnia PC)
Breagh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Eves, E. L. (Parry Sound PC)
Mitchell, R. C. (Carleton PC)
Piché, R. L. (Cochrane North PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)
Watson, A. N. (Chatham-Kent PC)

Substitutions:

Cooke, D. S. (Windsor-Riverside NDP) for Mr. Swart
Fish, S. A. (St. George PC) for Mr. Stevenson
Johnson, J. M. (Wellington-Dufferin-Peel PC) for Mr. Eves
Mackenzie, R. W. (Hamilton East NDP) for Mr. Breagh

Also taking part:

Foulds, J. F. (Port Arthur NDP)
Jones, T., Parliamentary Assistant to the Treasurer of Ontario and
Minister of Economics (Mississauga North PC)
Riddell, J. K. (Huron-Middlesex L)

Clerk pro tem: White, G.

From the Ministry of Treasury and Economics:

Campbell, T., Deputy Treasurer and Deputy Minister
Davies, B. P., Assistant Deputy Minister, Office of Economic Policy
Sadlier-Brown, P., Senior Economic Adviser, Economic Policy Branch

Witnesses:

From the Canadian Union of Educational Workers:
Kulchyski, P., Treasurer
Moloney, K., President

From the Confederation of Canadian Unions:

Balicki, N., Secretary, Canadian Textile and Chemical Union
Lang, J., Secretary-Treasurer
Melorin, J., President
Ritchie, L., Vice-Chairperson, Ontario Council
Taylor, L., York University Staff Association

From the Grey County Board of Education:

Cain, B., Superintendent of Business; Treasurer
Jones, G., Chairman
Lessels, D., Vice-Chairman

From the Ontario Chamber of Commerce:

Carnegie, J. G., General Manager

From the Ontario Public Service Employees Union:

Abbott, J., Chief Steward

From the Ontario Secondary School Teachers' Federation:

Clarke, D., President, District 15 (City of Toronto)
Gannet, J., President, District 12 (Etobicoke)
Miller, M., President, District 14 (York)

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Wednesday, October 20, 1982

The committee resumed at 2:12 p.m. in room 228.

INFLATION RESTRAINT ACT
(continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector in Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Chairman: Gentlemen, it being after two o'clock and seeing a quorum, I would like to call the next set of witnesses please. The Confederation of Canadian Unions. Do we have an answer from Hansard as to the time frame for Hansard reproductions? Not yet. We will have it later.

Interjection: When was that?

Mr. Chairman: I will have it. We do not have it yet.

The exhibit the clerk is handing around will be exhibit 11. Would you identify the group for us and for Hansard, please?

Mr. Lang: Mr. Chairman, my name is John Lang. I am the secretary-treasurer of the Confederation of Canadian Unions, and to my left is John Meiorin, the president. To my far right is Laurell Ritchie, an officer of the Ontario Council and with the Canadian Textile and Chemical Union, and Norma Balicki from the Canadian Textile and Chemical Union in Brantford; on my immediate right is Lynn Taylor from the York University Staff Association.

Mr. Chairman: Thank you.

Mr. Lang: As an introductory comment, I would like to mention that the Confederation of Canadian Unions has approximately 2,500 members who will be directly affected by Bill 179. They include members of our affiliates at the York University, members in the Canadian Union of Operating Engineers and General Workers, and about 28 or 29 bargaining units in the hospitals of Ontario and at Ontario Hydro.

The Confederation of Canadian Unions is opposed to any form of wage control legislation, whether it covers the private or public sector, whether it is introduced by the federal or provincial governments. Consequently, we strongly condemn Bill 179 which, if it is allowed to pass, will not only control the wages of public sector workers, but will also undermine the rights of all workers in the province.

The suppression of collective bargaining and the denial of the right to strike are indefensible in a democratic society. These are the only tools with which workers can defend themselves

in our economic system. The working people of Canada won these rights only after much sacrifice and struggle and they will resist vigorously any erosion of their value.

Bill 179 represents a profound violation of the principle of freedom of association. If the Charter of Rights is to have any meaning, Bill 179 must be ruled unconstitutional. The Confederation of Canadian Unions will be giving its support to those unions that have already stated their intention to challenge the bill in the courts. However, Bill 179 constitutes an even more serious challenge to the rule of law. If passed, it would allow one party to a legal agreement unilaterally to rewrite the terms of the agreement. The implications of such legislation should be carefully considered by those supporting the present bill.

Wage controls also mean that gains made towards achieving equality in the work place will be set back. Recent victories in the public sector in the areas of equal pay for work of equal value and parental rights will be eliminated if the bill is enacted.

Bill 179, in our opinion, is a cynical attempt to place the entire burden of economic recovery on the backs of working people. There is ample evidence, supported even by business-oriented economic analysts, that wages are not the cause of inflation. In fact, since November 1976 wages in Canada have actually fallen 11.5 percentage points behind inflation.

The Ontario government, like Mr. Trudeau's government in Ottawa, is simply acceding to the interests of the business community in pursuing the controls route. At the same time, the government can take advantage of the controls program to meet its own vested interests as an employer and administrator of tax revenues.

If governments find themselves short of revenues for hospitals, schools and other public services, they should first look at their own revenue policies. The share of taxes paid by corporations in Canada is declining dramatically. In 1951 corporations contributed 55 per cent of the total income tax collected by the federal government. By 1980 the corporate share had dropped to 23.4 per cent. Bill 179 is one way of making up this lost revenue, as an indirect tax on the working people who actually provide the services of provincial and municipal governments.

Wage controls will not lower inflation nor ease unemployment. In fact, controls will put more Canadians out of work. The Ontario government has made a conscious decision to follow the controls route to fight inflation, knowing full well its effect on unemployment. Unemployment may not be of concern to corporations since it can be used to obtain concessions from employees, but the government of Ontario should be aware that for the working people of this province, unemployment is by far the most serious problem they are facing.

Inflation must be attacked at its source--runaway prices. The government should set up a price control board where companies negotiate price increases, just as workers negotiate wage increases. The proposed administered price restraint program is a farce. Major costs of living for public sector workers and other workers are excluded from the program, and even where a few costs, such as fishing licences, are covered, the five per cent control is discretionary and can be waived by the cabinet committee.

Together with the federal government, Ontario should be following a program of price controls, lower interest rates, foreign exchange controls and an industrial strategy that would set an independent course for the Canadian economy, free of our troubled dependency on the USA.

Wage controls are not necessary. Government policies favouring high unemployment have already provided employers with all the bargaining leverage they need. The Canadian Union of Industrial Employees, one of the CCU affiliates, is currently on strike in Toronto against the company's offer of two per cent on an average salary of \$13,936.

As workers, we are being subjected to a national robbery of our rights, our working conditions and our standard of living. With Bill 179, the government of Ontario is not helping to solve the real problems created by the economic crisis. Instead, it is acting as an accomplice in making matters worse.

Mr. Renwick: Mr. Chairman, I just have a couple of brief questions. I think the committee would be very interested in knowing how many unions are involved in your confederation.

Mr. Lang: Nationally, we have 20 unions which represent 40,000 workers. In Ontario, 10 of those unions have members in this province and our membership here would be approximately 13,000 to 15,000.

2:20 p.m.

Mr. Renwick: How many of those would be in something called the public sector?

Mr. Lang: As I said, we would have about 2,500 members who are directly affected--

Mr. Renwick: Directly affected by this bill.

Mr. Lang:--by this legislation.

Mr. Renwick: I understand that your confederation is not associated with the Ontario Federation of Labour. Is that correct?

Mr. Lang: That is correct. We are an association of strictly Canadian unions.

Mr. Renwick: I would appreciate it if you would elaborate on the statement you make at the top of page 2 that the bill, if passed, would allow one party to a legal agreement unilaterally to rewrite the terms of the agreement.

Mr. Lang: What we are referring to there is to the role of the government as the employer. As the employer, the government has entered into collective agreements with its employees and this legislation would allow it to change those agreements unilaterally.

Mr. Renwick: You are relating to the government of Ontario with persons who are in the public sector employed by the government of Ontario.

Mr. Lang: Right. That is what the effect of the legislation would be.

Mr. Renwick: Right. I do not think I have any other questions.

Mr. Watson: I would like you to expand on your philosophy that we have foreign exchange controls and that we can be independent of the United States economy. What troubles me about that is that we tend to be a trading nation, and if we close the border, which I assume you are proposing, we get into more trouble in the long term than the short-term gains we might have.

Mr. Lang: No. What I am trying to point out is the very biased nature of this legislation in making these suggestions. On one hand, the government is coming down with this legislation controlling only wages. It is not just trade unions or economists who work for trade unions who have pointed out that controls on wages have a very indirect effect on inflation and that wages by themselves are definitely not the cause of inflation.

We are saying that if you are going to go the controls route, control capital, not workers. That is where the problem of inflation lies. But in response to that, they say, "Well, if we control capital"--if we put controls on interest rates, that would be a much more direct and effective way of controlling inflation. Put controls on interest rates. But the businessmen and the bankers come back and say, "Oh, yes, but if we did that, then all our money in Canada would float to the United States where they could get higher interest rates because of Reaganomics there."

Then we say put controls on exchange. You do not have to be a genius to figure out how you can control those sorts of effects. What is happening with this legislation and other similar types of legislation across the country is none of it is aimed at any control on capital whatsoever. It is all aimed at controlling workers who are already suffering the worst effects of the economic crisis.

Mr. Watson: But do you believe that the Canadian economy can operate semi-independently from the United States economy?

Mr. Lang: Definitely. In fact, if we do not start operating more independently and build an independent economic base in this country, in my opinion, we are doomed. A lot of workers in this country are seeing more and more clearly that the route the business community has taken in this country, generally speaking, is a route of self-destruction. Unless we build an independent economy here, independent of the United States, we will never be able to achieve the standard of living and the conditions that Canadians expect. And we can do it; we do not need the Americans to--

Mr. Watson: I would have to disagree with you because if we were a country of importers, then we have a chance of doing that, but because we are a country of net exporters, I do not think we can do that because other countries can come in--

Mr. Cooke: Net exporters of what?

Mr. Watson: Cars. What would you do with the auto pact, for example?

Mr. Lang: Personally, in the CCU I would never support the auto pact. I think we are seeing more and more clearly the disastrous effects of the auto pact. What we should have, what we did have, and what has been dismantled in this country is our own auto industry. Just look at the time, to give you a little example, when the auto pact came into Canada, I bet nobody in this room had ever heard of Mazda. In fact, Mazda was hardly even making cars at that time. We dismantled whatever indigenous auto industry we had here and filtered it into the United States where, as a country, we do not have the capacity to manufacture a car ourselves.

At the same time as we did that, the American automobile industry has been taking a nosedive, for whatever reasons. Part of it, as the businessman said here this morning, is poor management, and that is the only thing I agreed with him on this morning, but other countries have developed auto industries in that time that compete and are much more effective.

Are you saying that Canada cannot do that? Sure we can, and if we did that, if we had stepped out on that course in 1965, today we would be in a much better position in terms of the automobile industry. At least, we would be in the position of controlling our own destiny. Now we are tied to whatever happens in the United States and we have no control over that. Yes, I would say the auto pact is a millstone around our necks and it is going to appear more and more onerous as the years go on, and we will be buying more and more Japanese cars instead of making a car in Canada which would have met Canadian needs much more effectively.

That is the problem with this country. The businessmen and the corporate community are total sellouts. They have no vision, and they have never had an idea of developing their own economy. So they do not deserve, in my opinion, to have any tears shed for

them. If we are ever going to get a free, independent economy. it is going to be by a complete change of attitude and by turfing out that very narrow-minded business consciousness that we have had for hundreds of year.

Mr. Watson: I just do not believe that the isolationist will produce that.

Mr. Lang: One does not need to be an isolationist if you are independent. Independence is not isolation. I am not talking about isolation.

Mr. Watson: It is fine for a country like France to put on a variable import tariff for everything that comes into their country because they do not produce enough of their own food, but when you have got products to sell, like we do in Canada, you cannot do that. It is just a fact of life.

Mr. Lang: Yes, but that is the structural inequality of our economy which we have to face and which is at the root of so many of the economic crises. We are a way overdeveloped in the resource sector. Our natural goods are overdeveloped and we have been selling them for generations at bargain-basement prices and they are running out.

I grew up in Sudbury and when I was growing up in Sudbury the feeling was, "The mines here will never close, there will never be a crisis, there are unlimited supplies." We are seeing now in Sudbury that people have a completely different attitude, but we will never recapture the last 100 years where we have sold nickel to the lowest bidder.

We are overdeveloped there and we are underdeveloped in the areas which provide the income and the jobs, which is in the manufacturing sector. That has been a historical situation in Canada which the business community does not want to change. It is not workers who are responsible for that situation; it is capital in Canada that is responsible for that situation and its international ties. We are saying that if you want to get at the root of the economic problem, start looking at that, start doing something about that. Leave the poor workers who are earning \$10 an hour alone. That is what you have got to do.

Mr. Mackenzie: I have two questions. First, do you have any feeling as to the merits of trying to amend this bill as against its straight withdrawal?

Mr. Lang: Straight withdrawal

2:30 p.m.

Mr. Lang: Straight withdrawal.

Mr. Mackenzie: The other question is: Can you provide the committee with some examples, such as we have been given by some of the other unions, where the rollback of as much as \$1,000

on lower income people, \$15,000 to \$20,000 incomes? Are there some of your 2,500 members who will get caught in the rollback as a result of contracts that have not been signed? It is a much greater tax than they would pay in the case of income tax.

Mr. Lang: Yes. One of our largest single groups is the York University Staff Association. That union is 85 per cent women, clerical and library workers primarily, and their average wage there is less than \$15,000. They would all be hit by that. Our other largest group in the 28 bargaining units are hospital workers. At least half of them, the general labour group in hospitals, will also be hit.

Mr. Mackenzie: Is it fair then to ask you if the effect of these cutbacks, covering so many women who are in the lower-paid income groups, is also going to see, as some of us have suggested and other groups have suggested, an increase of at least \$300 in the difference in men's and women's wages?

Mr. Lang: I think so; I am sure it is going to have that effect.

Mr. Elston: I have a couple of questions. I am interested in your price control board. How long would you have this price control board in place?

Mr. Lang: Forever.

Mr. Elston: Who would you have sitting on that board? Who would determine what price would be arrived at for each commodity?

Mr. Lang: I would think you could do it the same way as you determine that workers can get a five per cent increase in wages.

Mr. Elston: You mean peg it, keep its price to five per cent.

Mr. Lang: Peg it. If what you are doing is fair to workers, then you could do the same thing to prices and say prices this year will not increase beyond five per cent.

Mr. Elston: You are proposing a marketing board for each commodity, for each individual product?

Mr. Lang: No.

Mr. Elston: We have a marketing body, for instance, for milk products in Ontario. Would you be consider doing the same thing for Stelco Inc., have a marketing board for Stelco and Dofasco? Would there be a marketing board available for Inco, Falconbridge Nickel Mines Ltd and Algoma Steel Corp.?

Mr. Lang: I do not think it is necessary to have marketing boards established for each product.

Mr. Elston: In terms of determining price, though, you would like some kind of a board to say to Stelco and Dofasco that they can have X number of dollars for their commodity on the market. Is that correct?

Mr. Lang: That is right, or you could just peg it to existing prices and avoid establishing that bureaucracy.

Mr. Elston: Okay, so you would not have a board at all. You would allow X number of dollars for their commodity and that would go on forever.

Mr. Lang: You could have the board to the same degree as you have an income restraints board in this legislation. It is not going to be much of a board from what I can see of it; just peg it by the legislation.

Mr. Elston: So you would have somebody in the role of Mr. Biddell who would survey the price side of the whole of the economy. Is that right?

Mr. Lang: That is right.

Mr. Elston: And if Inco got back into production to sell their commodity on the domestic market, you would have them get five per cent over whatever their price is this year. Is that correct?

Mr. Lang: Right.

Mr. Elston: What happens if Inco goes to sell its commodity, as it often does, in the international market? How do we determine that price? Would you like to establish an international board?

Mr. Lang: We operate on two price systems for other commodities in Canada. I would be open to considering a two-price system.

Mr. Elston: What about input costs? How do you take into account input costs if we have it going on forever? I've been hearing a great deal that after this program is over that we want to try to catch up. How do we catch up if we're locking the price controls on forever and ever? How would you take that into consideration with respect to this marketing?

Mr. Lang: My comment about forever is somewhat facetious. The point I've been making is that the difficulties with controlling prices that are always presented, as you're raising now, are not nearly so great as they are made out to be.

We have shown that we are able to control prices in various ways in Ontario now. We can control rents. There is a relatively modest board that is able to take into consideration certain conditions and make exceptions to that. I think a strict control on prices would have a much more dramatic effect as a means of controlling inflation than the present legislation which is aimed just at wages.

With regard to the concern about the increase in supply costs--we've been saying let the market forces take care of that itself--I believe the statistics show that wage increases have been much more a result of trying to keep up with inflation than running ahead of inflation. The pressure for wage demands, as the cost of commodities come down or is controlled, will also respond accordingly.

Mr. Elston: Your suggestion then really is that it is an increasing margin that is really the responsibility or is the prime reason for the inflationary difficulties we're in now, the increasing margin between costs and retail price in the market?

Mr. Lang: In some cases that's certainly the case. Interest rates would be one where that margin has dramatically expanded between what the banks will pay you for your money and what they will charge you.

Mr. Elston: I can appreciate what you're saying about the current situation where there are no appeal mechanisms and otherwise. Would it be reasonable to assume that if a particular price control board were developed that you would want the rules of natural justice to apply in relation to it if we also have the same in relation to the board that is established under this bill? Would that be reasonable?

Mr. Lang: What you're trying to get me to do is to endorse one aspect of this bill.

Mr. Elston: No, that's not what I'm trying to do. I'm just trying to fill up some holes in your price control board.

Mr. Lang: No, I'm not opposed to stating that the rules of natural justice could apply.

Mr. Elston: Again, would you presume to suggest then that one particular person, as in the case of Mr. Biddell, for instance, be in charge of this price control board, or would you consider it a joint tripartite type of thing?

Mr. Lang: No, I'm not impressed with the tripartite model for these things.

Mr. Elston: A cabinet committee sitting as the board of control? We've got to work out how to make this price control board effective. Who would we put on it? We know one person is not a good idea, particularly in the case of this Bill 179. One person with very poorly delineated powers and guidelines and everything like that, we know that is no good. What I am thinking of is trying to make this Inflation Restraint Board something that would be workable in your opinion.

2:40 p.m.

Mr. Lang: I could supply you with a short list, I think, on a little bit of consideration that would be good.

Mr. Elston: If you would do that I would be pleased to see that. You said 2,500 people are going to be directly affected.

Mr. Lang: Yes, that come under Bill 179.

Mr. Elston: How many people in your confederation have been affected in the private sector by either cutbacks, reduction of incomes or otherwise similar situations over the last few months?

Mr. Lang: One hundred per cent, everyone.

Mr. Elston: Everybody has faced the cutbacks?

Mr. Lang: I cannot think of one of our unions that is not being seriously affected by layoffs, cutbacks and negotiations where there are wage proposals well into negotiations and there is nothing on the table. John Meiorin is here from the bricklayers' union and his members have not reached this level of unemployment in their history as a union.

Mr. Elston: In terms of layoffs?

Mr. Meiorin: In terms of layoffs, especially in the past year, yes. Also in past negotiations, compared to the cost of living, we have always lost out.

Mr. Elston: Your membership has already provided a sacrifice in relation--

Mr. Meiorin: For the last five years, but especially the present one.

Mr. Elston: Have your numbers who are actively employed now also decreased?

Mr. Meiorin: From last year I would say, without having counted one by one, we are short 300.

Mr. Lang: The textile industry here in Ontario is down 50 per cent in some plants that we represent--more than 50 per cent in the furniture industry. Every plant is being affected.

Mr. Elston: Actually, a good number of your people in the private industry sector so far have already been adversely affected by our current economic conditions, suffering cutbacks in pay and things like that?

Mr. Lang: Exactly.

Mr. Elston: The 2,500 members of the public sector are now about to be affected seriously by this. You have been affected already in terms of layoffs? How many people have you lost?

Miss Taylor: A good 50 to 75.

Mr. Lang: Out of 1,000.

Mr. Elston: In which --

Miss Taylor: York University Staff Association.

Mr. Elston: Are there any more people about to be affected at York University?

Miss Taylor: There are layoffs twice a year.

Mr. Elston: Is that a reflection on a cutback in transfers?

Miss Taylor: Transfer payments?

Mr. Elston: Yes. Have you located a reason for that cutback?

Miss Taylor: There just does not seem to be the money.

Mr. Elston: Enough to go around.

Miss Taylor: No.

Mr. Elston: Is it fair to say then that it might be possible that there will be further cutbacks than scheduled if our cutbacks in terms of expenditures to the university sector adversely affect your group again? Have you come up with a policy to deal with that, short of this wage restraint program, in terms of a voluntary attempt to remedy the difficulty of lack of funds?

Miss Taylor: The university is constantly appearing before government bodies trying to have the funds increased.

Mr. Elston: There just does not appear to be enough to go around then?

Miss Taylor: It is a matter of priorities and universities do not seem to be a priority now.

Mr. Elston: In that event, the working people at York are the ones who are being cut back most often?

Miss Taylor: The students are being affected as well.

Mr. Elston: What is going to develop at York University to deal with this lower priority funding problem? Has there been an attempt by your local to either deal with work sharing or to talk about wage matters with the university and attempt to save more jobs? Any projections on that yet?

Miss Taylor: There are rallies, but we have not specifically talked about work sharing.

Mr. Riddell: You and I agree that inflation is the problem we have to control. Unlike you, I believe one step towards an economic recovery is to have a restraint program. I believe it should include wage and price controls and it should be across the

whole sector, not just the public sector. In my speeches, I have said it should have been a mandatory federal program, but it is not, and we have this bill.

I am a little concerned about some of the things you have suggested. I do not know whether you would dare go out into the agricultural community and suggest that we put controls on at the border. Would you agree with the statement that as agriculture goes, so goes the nation?

Mr. Lang: If I was living in Canada in 1920 I would, but unfortunately not any more, and I think a lot of farmers are seeing that.

Mr. Riddell: I think you will find that agriculture is still the primary industry in both Canada and in Ontario. If you want to talk about employment, the gross national product or the gross provincial product, you will find that agriculture is, if not on the top, second to it.

The farmers cannot operate independently of foreign markets. It has taken marketing boards and it has taken trade missions--We are going to be debating a bill on Thursday, introduced by a private member, to have more trade missions to develop more foreign markets because our farmers cannot thrive unless we have foreign markets for our produce. The pork producers have well-established markets. Japan is one. In the case of the bean producers, the bean board has been all over the world trying to develop markets for the farmers. If we cut off those markets, our farming industry will be in far more serious trouble than it is today. I would just like to know what your cause is.

Mr. Lang: I think this is very interesting because once somebody mentions independence, you think they are talking about isolation. That is not the point at all. We have a lot of problems with the development of the agricultural industry. I think farmers are being as hard hit by the economic crisis as workers are, particularly those who are still trying to manage a family farm. Their attitudes might be somewhat different, but I think their real interests should be a lot more parallel.

Developing a stronger agricultural industry in part entails wider foreign markets and what not, but I think the problem there--getting off on a different topic--is the cheap food policy which Canadian governments have for a long time here established and developed. Nobody wants to deal with that. We talk about farmers and we still have a vision of a family farmer struggling with 100 acres of land. That is no longer the dominant force in the agricultural industry anymore. We are talking about huge, multinational corporations. They seem to be doing fairly well out of the whole process even today.

2:50 p.m.

We get back to my point of view of trying to stand things on its head. Imposing controls on capital leaving the country which we could use here to invest has, in my mind, nothing to do with developing hog markets in other parts of the world for Canadian produce.

Mr. Riddell: I was just following up on your comments to Mr. Watson. I thought you were dealing with foreign exchange, but then I just walked in when you were talking about, as I understand it, border controls. The questions that were being exchanged between you and Mr. Watson would indicate that we should be controlling the flow across the border. That is what led him to believe we are a net exporter, although I would take issue with that. I think we could probably show that we are not a net exporter of agricultural produce in this country. Ontario is probably a net importer. You were talking about Canada.

Mr. Watson: I was using Canada. Ontario cannot control the borders.

Mr. Riddell: I realize that. I was just wondering whom you were speaking for. Are you speaking for Canadians in general? Are you speaking for the salaried employees? Are you speaking for the public sector that has been hit by this bill? Are you speaking for the businessman? Are you speaking for the farmers? Who really are you speaking for?

I just cannot fathom your suggesting that prices be controlled, which is going to hit the farmer more than it is at the present time, because you talk about a government and its cheap food policy now. Let the government step in and start to control what to a lot of consumers would be high food prices and that is going to reflect right back on the farm people. We have so many farmers going out of business now I just shudder to think what is going to happen come spring. We are just going to see so much land for sale and nobody can buy it.

Mr. Lang: If you were here at the beginning, you would realize that I am speaking on behalf of 2,500 members of the Confederation of Canadian Unions in the province. Just to get back to your point, I did not come here to argue or debate the weaknesses of the agricultural industry, but surely the things that are putting the knife in the throat of farmers are interest rates much more than anything else. That is what is closing farms.

What is this bill doing about interest rates? Absolutely nothing. I am saying that if the legislators of Ontario are really interested in solving the economic problems, look at that. Do something about interest rates, and you can control interest rates. You can control capital just as easily as you can control wages, if not easier. Do that and you will find that the corrections and the solutions become much more dramatic.

Mr. Riddell: If there was some way of controlling inflation by lowering the interest rates, then that simply means that people are still going to borrow money. They are still going to spend.

Mr. Lang: They will spend and there will be more jobs. What is so wrong with that?

Mr. Riddell: What you are really saying is let inflation run its course. That is exactly what happened prior to the crash of 1929. How do we avoid a very serious depression? I happened to be out west working for a while and I talked to people that lost

everything. They lost their stores and their farms. It would make you cry to hear what happened in the Great Depression. Now surely to goodness we do not want to head in that direction again. I say we have to control it.

Mr. Lang: That is where you are going.

Mr. Riddell: Somehow we have to control inflation. You talk about the farmers and the high interest rates. Farmers tell me that if they could get the price for their product, they are prepared to contend with high interest rates because they recognize that inflation has to be controlled.

Mr. Lang: You are saying, as a solution then, do not touch the banks, do not touch the corporations. We cannot do anything about them. Nail the guy who is making \$10 an hour and put a few hundred thousand or more people out of work. Then they do not have any more money to buy the things you want to sell. Okay, go ahead, do it and see what happens.

Mr. Riddell: I think I have said at the start that if we go to wage and price control as part of our restraint program to bring about economic recovery, we have to make it fair and equitable right across the board. You do not pick on the public sector. I am just simply saying that I think we have to go to a restraint program which includes wage and price controls if we are going to control inflation. If you do not want to control inflation, fine.

Mr. Lang: You can excuse me, I think, for being a little bit cynical when you talk about wage and price controls. In 1975 we went through that with the federal Liberal program.

Mr. Riddell: It was more wage control than it was price control.

Mr. Lang: You are damned right it was more wage controls.

Mr. Riddell: I agree, but I am saying we have to be tough on prices too. It has to be a combination of the two.

Mr. Chairman: Thank you very much for your presentation. The next group--

Mr. Mackenzie: Before you have the next group up, I would like to move a motion again. The motion is simply that the justice committee ask the Minister of Labour (Mr. Ramsay) and the Chairman of Management Board (Mr. McCague) to appear before the committee during the course of the hearings to explain the effect this bill will have on collective bargaining and on the crown employees.

I am prepared to have the chairman consult with the clerk, if necessary, to ascertain that the motion is in order. You would note also that the Treasurer (Mr. F. S. Miller) himself had suggested that Mr. McCague was one of the people that should be here.

Mr. Chairman: Since I do not have a copy of it, is it any different from your motion last night? Is it the same wording?

Mr. Mackenzie: No, it is different. It adds that the Chairman of Management Board appear before the committee during the hearings to explain the effects that this bill would have on collective bargaining and on the crown employees.

Mr. Chairman: You are simply saying during the hearings. You are not saying during the public hearings. No, I am sorry--

Mr. Mackenzie: During the public hearings. Do you want public added to it?

Mr. Cooke: Do you want it after the public hearings if they make a presentation?

Mr. Chairman: I said last night I would entertain this at the end of the public hearings and prior to the clause by clause, which is the proper time for it. I will rule that motion out of order exactly the same as I ruled the one last night out of order for the same reason that we are here under mandatory instructions of the House.

Mr. Mackenzie: Mr. Chairman, I am once again forced to challenge your ruling. I do not think that this is out of order at all. Then it has to be raised in the House obviously.

Mr. Epp: Mr. Chairman, may I ask for a clarification on this?

Mr. Chairman: There can be no debate here.

Mr. Epp: I just ask for clarification. I know that you and your good offices would not mind giving a clarification because, as a member of this Legislature, I think I can ask the chairman for that. Are we talking here about asking the Minister of Labour and the chairman of Management Board to come before the committee before the public hearings have expired?

Mr. Chairman: Yes.

Mr. Epp: Or are we now asking for them to come before the committee sometime during the course of the proceedings, be it during the course of the hearings or immediately after? I am not sure what Mr. Mackenzie points out here.

Mr. Chairman: Mr. Epp, for the sake of clarification, his motion is asking that the ministers come during the public hearings. However, it is academic, whether it is or not, because I have ruled that that motion is out of order at this point, whether it be now or at any other point. Even if the motion were, quite frankly, I do not think we take any motions at this point, so I have ruled that out of order.

Mr. Mackenzie: Since when have motions in a committee been out of order and what rule are you citing?

Mr. Chairman: When we are under mandatory instructions of the House to proceed with public hearings, we must proceed with hearings from the public. The ruling has been challenged. There can be no further discussion.

Mr. Mackenzie: That is not a rational ruling, Mr. Chairman.

Mr. Chairman: Then that is up to the committee to confirm--

Mr. Mackenzie: It is the Tory majority, I suppose, but that has never happened before in committee.

Mr. Chairman: All those in favour of upholding the ruling of the chair please raise your hands? Five. All those opposed to the ruling of the chair please raise your hands? Four. The motion fails to defeat the ruling of the chair.

3 p.m.

Mr. Mackenzie: Mr. Chairman, you are so wrong and you are going to be made to look like a fool.

Mr. Chairman: Let us move on. Mr. Elston?

Mr. Elston: Mr. Jones might have further information and clarification for us.

Mr. Jones: I was just going to tell Mr. Epp, because he was not here last evening, that the Treasurer did comment on this when it was raised. He shared with us that he would have a mix of people attending.

I think you would agree he has been very loyal to that in the House during the debate, and he will be here, though he is not able to be with us today. As his parliamentary assistant, I will be filling in during his absence. He also did share with us that there would be other ministers for whom it might be appropriate to attend, for example, Dr. Elgie when we come to that side of the bill.

Mr. Epp: Mr. Jones, I am not trying to trap you, but will that be immediately after the official part of the hearings has finished?

Mr. Jones: I think he had that in mind, but not necessarily in the case of Dr. Elgie.

Mr. Mackenzie: I am really wondering what you are afraid of.

Mr. Jones: So he was not being irresponsible.

Mr. Chairman: Would you like to know the reason for my ruling?

Mr. Cooke: We asked for it yesterday.

Mr. Mackenzie: I do not know why you did not give it to us yesterday.

Mr. Chairman: If you look up the section on mandatory instructions, you will find we are under mandatory instructions from the Legislature. We have no choice but to follow those.

Yesterday I ruled out of order a motion moved by the member for Hamilton East requesting that the Minister of Labour appear before the committee. My reason for so ruling is as follows: It is a fundamental precept of parliamentary practice that the committees are bound by their orders of reference from the House. See, for example, Erskine May, 19th edition, on page 635 and Beauchesne's Parliamentary Rules and Forms, fifth edition, subsection 621(2).

This committee's order of reference, directing it to "hold public hearings" on Bill 179 before proceeding to clause-by-clause consideration of the bill, said that I do not interpret "public hearing" to encompass an appearance by the Minister of Labour. A request for such appearance is outside the committee's authority as specified by the House.

As I indicated yesterday, I would be prepared to entertain such a motion once the public hearings on the bill are completed. So for both those reasons--

Mr. Mackenzie: Neither of them is a member of the public, and we are holding public hearings. Because it is absolutely fundamental, what this bill is doing to collective bargaining, the Minister of Labour--

Mr. Chairman: The chair has ruled, and this ruling has been upheld. The matter is closed.

Mr. Mackenzie: The committee can request, if there was any sense in the chairman's gavel--

Mr. Chairman: This committee has upheld the chair's ruling.

Mr. Cooke: The majority government, the reality of March 19 and all that there stuff.

Mr. Chairman: The next group to appear before us is the Ontario Chamber of Commerce, with Mr. J. G. Carnegie, general manager. May I point out that Mr. Carnegie has no brief. While Mr. Nixon requested last night that presentations do have briefs, the advertisements do not make it mandatory that briefs be in our hands prior to 5 p.m. this coming Friday. Not only is it technically quite correct for Mr. Carnegie to be here without a brief, but it is mechanically not possible to have some of them before us.

Interjection.

Mr. Chairman: Mr. Carnegie is shaking his head in the negative.

Mr. Riddell: Thank heaven there will be a review of our democratic system in 1985.

Mr. Carnegie: Mr. Chairman and ladies and gentlemen of the committee, my name is Carnegie. I am the general manager of the Ontario Chamber of Commerce, which is a federation of community boards of trade and chambers of commerce throughout the province. It represents some 50,000 individuals in business. It represents the spectrum of the business community in addition to a corporate membership in its own right of several hundred major and minor corporations.

Interjections.

Mr. Renwick: Mr. Chairman, on a point of order: If Mr. Carnegie is speaking off the cuff and is not representing the Ontario Chamber of Commerce, I should like to know it. If he has a written brief now, I would be prepared to recess for five or 10 minutes so that copies could be made for the committee. I think it is important that we do not start to play games with the process of whether or not we have the document we are listening to in front of us.

I find it extremely difficult to ask intelligent questions unless I have a copy of the document to refer to. I am really asking Mr. Carnegie, if he is reading from a written script, would it be possible to stand the committee down for 10 minutes while copies are made for the members of the committee? If not, would he defer until such time as he does have a written submission for us?

Mr. Carnegie: I do not have a written brief. I am here on the direction of the board of directors of the Ontario Chamber of Commerce to register our attitude in reference to Bill 179. We do not intend, at this point, to prepare a written submission. I am prepared to speak to the committee if they wish to hear me. If not, I will bow to the wishes of the committee.

Mr. J. M. Johnson: Mr. Chairman, I would consider it an insult if we did not allow Mr. Carnegie to speak to this committee.

Mr. Piché: Or anyone else.

Mr. Renwick: I would not want you to feel insulted, nor Mr. Carnegie. There was no such intention, and you know I do not have any such intention. I resent your raising that suggestion.

Mr. J. M. Johnson: Then I apologize, Mr. Renwick.

Mr. Renwick: I suggest you watch your language when you refer to what I say as an insult to anyone from the public appearing here.

Interjections.

Mr. Renwick: Mr. Chairman, on the point of order I raised: If it is convenient for Mr. Carnegie to return when he has his written submission, I would suggest that would be the appropriate way in which we should proceed.

Mr. Chairman: Mr. Carnegie has indicated he is not certain at this point whether there will be a written submission from his organization or not. I do not think that is an alternative at this point.

Mr. Mitchell: Yesterday afternoon, I believe, or perhaps last evening, we had submissions from the Women Teachers' Association of Etobicoke. Also presenting a brief which was not submitted in written form was a gentleman representing the men teachers. It was clearly accepted. I suggest to you that Mr. Carnegie has indicated he is here at the direction of his board. Since we have already set the tone of accepting oral briefs, then I suggest we have no recourse and that we follow that procedure.

Mr. Chairman: I am prepared to rule, but I would rather have a consensus that will take us through until Friday at 5 p.m. Then the advertisements will take over. Rather than have a motion, Mr. Mitchell, I would prefer a consensus that we go along with the existing oral ones only. Next week this will not occur.

Mr. Renwick: Mr. Chairman, I am quite content to have Mr. Carnegie make his statement now and that questions with respect to that statement be deferred until we get the Hansard copy of it in front of us. Then we can proceed, following whatever statement Mr. Carnegie wishes to make extemporaneously, to the next witness.

Mr. Mitchell: Again, I refer to the gentleman that made the presentation last evening. Although it was not a written one, questions did arise out of his brief. If we have questions on points raised by individual speakers, surely we are able to make a note of them to raise questions following the completion of his dialogue.

Mr. Renwick: Mr. Chairman, if I could speak again to the same point of order in response to Mr. Mitchell, Mr. Mitchell is very sharp about the question. The question last night was raised following the conclusion of the presentation of the public school teachers, whose name appeared on the front sheet of the brief. It was not until it had been completed that Mr. Nixon noted that the portion of the brief referable to the Ontario public school teachers' association was not part of the brief.

I raised the question today because of that. Under no circumstances should the event of last night be etched in stone as a precedent of this committee. We are going to be in extreme difficulty if we allow some people, members of the public, to appear extemporaneously in front of us, while other members of the public have to have a written brief.

3:10 p.m.

Mr. Mackenzie: I will be very brief. I just wanted to make sure that the point my colleague Mr. Renwick has made was made. At first I was not sure of just exactly what Mr. Mitchell had said. There was a brief from that group, and there was a man teacher who made a few comments that may or may not have been part of that brief, but I want to point out that there were a number of assistants here on all of the briefs that were submitted and there was some ad libbing all the way through the presentations last evening. I am not sure you could make a case in that case that there was not a brief here in total; there was for that particular group.

Mr. Mitchell: Again, Mr. Chairman, if I may, first to correct Mr. Renwick, I believe he said, and I may have interpreted it wrongly, that the gentleman who spoke was listed. He was not listed. Second, Mr. Mackenzie has raised a concern that there has been ad libbing in the presentations, for which we are going to have to rely on Hansard. I think my comments are sufficient.

Mr. Chairman: Obviously, to understate it, we cannot get a consensus. Shall we then entertain a motion, one way or the other, to hear Mr. Carnegie's oral presentation now?

Mr. Renwick: Why would we entertain a motion? The conclusion is foregone. Let Mr. Carnegie proceed. Why waste our time?

Mr. Mitchell: I submit it is not.

Mr. J. M. Johnson: I move that the committee hear Mr. Carnegie's oral presentation.

Mr. Mitchell: Mr. Chairman, do you wish a motion? I would broaden the scope of that.

Mr. Chairman: No, I am sorry, a motion has been put by Mr. Johnson that we now hear Mr. Carnegie's oral presentation.

Mr. Mitchell: Is an amendment in order, Mr. Chairman?

Mr. Chairman: Yes.

Mr. Mitchell: Then I would move that not only do we hear Mr. Carnegie but, based on the information you have provided us, that we meet and hear any group.

Mr. Mackenzie: Does that include the Minister of Labour and the Chairman of the Management Board, the motion that was just ruled out of order, Mr. Mitchell?

Mr. Mitchell: Now do not play games with us.

Mr. Mackenzie: That is what has been going on all through this.

Mr. Chairman: Do keep in mind that as of all next week there will be no question as to oral or written briefs. Shall we vote first on the amendment of Mr. Mitchell?

Mr. Renwick: I think the motion is out of order, Mr. Chairman.

Mr. Chairman: Would you please repeat your amendment, please?

Mr. Mitchell: My amendment was to amend Mr. Johnson's motion to read: "We hear Mr. Carnegie and others, in light of the newspaper ad not showing that written briefs were necessary, and that until the advertisement so shows we hear any organization."

Mr. Chairman: That is a proper amendment upon the original motion.

Mr. Cooke: It is out of order.

Mr. Renwick: Yes. We are under mandatory instructions from the House.

Mr. Chairman: Come on, gentlemen. We have a man in front of us trying to give a brief. All those in favour of Mr. Mitchell's amendment, please raise their hands. Seven. All those opposed, please raise their hands.

Gentlemen, there is no provision in the rules of this Legislature to abstain from a vote. I have had this before. I would ask you to leave your seats or at least go back out of your seats if you wish to abstain, if you do not wish to vote, but there is no procedure--

Mr. Epp: Mr. Chairman, let us get on with the proceedings.

Mr. Chairman: We are into procedural wrangles. I just happen to have abstentions of votes with me from last spring.

Mr. Cooke: Mr. Chairman, I never voiced an opinion.

Mr. Chairman: You did not vote; you did not raise your hands to vote one way or the other.

Mr. Cooke: Just take the vote over, Mr. Chairman, I will be voting in favour of the motion.

Mr. Riddell: Recognizing that I will likely be given the same verbal spanking as my colleague Mr. Johnson, I would suggest that Mr. Renwick's concerns reflect less than an open mind.

Mr. Chairman: The chair is recognizing that there are seven votes for the amendment, and I am not commenting further.

Motion agreed to.

Mr. Chairman: Since the amendment has carried, shall we vote upon Mr. Johnson's motion? All those in favour of Mr. Johnson's motion, please raise their hands. That is unanimous. There is no need to ask for those opposed.

Motion agreed to.

Mr. Chairman: Mr. Carnegie, would you please carry on with your oral presentation?

Mr. Carnegie: Mr. Chairman, ladies and gentlemen, I will not go back into the preamble telling you who I am here representing or why. We have done that, I think, in spades.

Mr. Mackenzie: What rules are we operating by tomorrow?

Mr. Chairman: The same as yesterday and today, Mr. Mackenzie.

Mr. Carnegie: In light of the advertisement in the press, the board of directors of the Ontario Chamber and Executive Council wish to record with this committee its approval in principle of Bill 179. The reason that they do so is that for many years, both in oral and written submissions to all forms of committees, and including the cabinet, the chamber has consistently called for a restraint upon the public sector and on government spending.

In the chamber's view, the public sector, in view of the fact that it has a strong security of tenure as a part of its employment package in the current economic times we are facing, probably requires some form of legislative restraint which should match that which is being enforced upon the private sector by the market forces and economic conditions. In fact, it is the opinion of the chamber that similar activities, such as those outlined in the bill, affecting the public sector have been brought into effect on a very broad range throughout the private sector.

A quick poll of those in attendance at a meeting yesterday with some 25 representative employer organizations almost without exception noted that some form of wage restraint and control had been exercised in those corporations individually already and that, of course, a great deal more was foreseen in the immediate future.

With all due respect to the great deal of time required to bring a very short message before the committee, that in basic fact encompasses the directions which I have. I appreciate the opportunity to put our feelings before the committee at this time.

Mr. Watson: Do you have any figures as to what the levels of remuneration within the people whom you represent exist? You said that restraint programs already exist. Do you have any figures to present to us as to what those levels are?

Mr. Carnegie: A quick review yesterday of representatives of the auto industry indicated that they were well within a six and five guideline. Those from some of the chartered banks indicated that they were six per cent or less for the first year. Certainly some from the petroleum industry are running below the six per cent, which was taken basically as a figure out of the air as much as anything else.

Again, we are prepared to substantiate these with a submission--I am absolutely paranoid about the expression "submission" at this point, as I am sure you can understand--we are prepared to send forward such documentation as you might wish to have in that area.

Mr. J. M. Johnson: Mr. Carnegie, it has been stated by some other people who have made presentations to us that Bill 179 will cause a decrease in business activities. As a representative of the business community, would you agree that that is a valid statement?

Mr. Carnegie: I do not doubt for five seconds that any legislation which controls any aspect of income is going to have some detrimental effect to the economy as a whole; it cannot help but. Certainly limiting wages in any sector is going to reduce consumer power, but I do not view it as a wholesale difficulty at this point. Essentially, within the private sector, as I attempted to indicate, restraints of certainly equivalent stature are taking place on a very broad base throughout the private sector. Therefore, we would find it difficult to see why the public sector would be excluded. In excluding them, would it have a serious detrimental effect? It's very hard to assess, but I doubt it.

3:20 p.m.

Mr. J. M. Johnson: Does the business community as a whole appear to be in favour of the essence of Bill 179?

Mr. Carnegie: Certainly from every indication we have had from a series of meetings over the last several months, the answer is yes. We do not say that it is a panacea. We do not feel it is the total answer to the problem, but we feel that the government of Ontario, acting in principle and in concert with both the federal and other provincial governments, is perhaps demonstrating very publicly its willingness to combat the overall economic problems, which, as I say, are being forced upon the private sector by market forces.

The public sector is largely exempt from those market forces, so we see it as not only a good move from the point of view of a certain amount of leadership but also from a sheer psychological point. There is nothing better than to ensure that everyone is carrying his share of this particular onerous load that we have at the moment.

While we realize that it is not a popular expression in any case, I think it only fair to recognize the fact that anyone who is being subjected to limitations on his income ability is not going to be terribly thrilled with someone getting a protected ride. These are the types of things that the business community feels.

Mr. Renwick: Mr. Carnegie, I find what you have said quite totally unbelievable. I want to ask you two or three questions about it.

Could you perhaps hazard a guess as to the average remuneration of the 25 or more persons who attended the meeting yesterday and gave you the instructions?

Mr. Carnegie: I not only could not, sir, I would not.

Mr. Renwick: I see.

Mr. Carnegie: I would suggest that they are all probably well paid in the terms that you are referring to. They are all senior executives.

Mr. Renwick: Would it be possible for you to give us a list of those who were present and the organizations which were represented.

Mr. Carnegie: It would be possible. Whether or not I would do so, sir, would lie very much within the direction of my board.

Mr. Renwick: I can well understand that, but would you take it as a request from me, sir, if that information was available?

Mr. Carnegie: I have so done.

Mr. Renwick: I tried to get your remarks down correctly, but I don't think I've got quite the sense of it. Somehow or other, because of the security of tenure in the employment package of people in the public sector, they have to make some sacrifice because of what is being imposed on the private sector through the forces of the marketplace. That is the substance of what you said.

Mr. Carnegie: I think that's the substance of it.

Mr. Renwick: I don't like to use personal examples very often. Twice a week the garbage collectors for the city of Toronto, from the garbage collecting division of the city of Toronto, come by my home. It is not a job I envy or would want to have. They do a first-class job. What conceivable reason would there be in the Ontario Chamber of Commerce to want to punish those persons who perform an essential service for the public at low rates of pay, guaranteed only through their collective agreement?

Mr. Carnegie: May I suggest that I don't believe the Ontario Chamber of Commerce wishes to punish any individual. In fact I find that your suggestion is somewhat outrageous.

What I have said to you is that persons employed by the public sector are generally, by virtue of security of tenure, in a somewhat better position for the future of their employment than persons in the private sector. I think this has certainly been amply demonstrated in the media and the press over the last few years, the last few months particularly, in this province.

I don't mind telling you, sir, it is as much or a great deal more punishment for a person who is employed in the private sector to lose his job than to perhaps do the type of job that you have just outlined--and I find absolutely nothing wrong with that type of job at all. If, in fact, the situation were allowed to go to its extremes, and I'm not recommending extremes, you have a situation where there is no market pressure on persons employed in the public sector. They are, in fact, isolated from market pressures to a very large extent.

Persons who are working in the private sector do not have that security of tenure. That is one of the things where basically, psychologically, this type of legislation, as long as it is not oppressive and as long as it is not going out of line with what is happening with the remainder of the marketplace, I do find in any way outrageous.

We feel, given the reviews we have had within the private sector, that the six and five guidelines as outlined by Ottawa--and as I say, those are totally arbitrary guidelines which were to the best of our knowledge picked out of the air--are very largely being met by the private sector, not totally willingly but by virtue of being forced upon them by economics in many cases. The concern that the business community has expressed to us is that we are going to have to have wage controls forced upon us. We are not going to be able to meet inflation demands because we're not going to have the money to do it.

We do not wish to see a government which is viewed as having a bottomless well to tap through the tax dollar being able to protect all of its employees from inflationary and economic problems in the country. Therefore, if we're being forced to have controls put upon us, be they forced by the laws of economics or the laws of the province, we don't feel it is fair and just that a group be totally protected. That's what I was attempting to get across.

Mr. Renwick: Perhaps this requires a little bit more analysis than we've had.

Mr. Carnegie: It may.

Mr. Renwick: What do you mean by security of tenure in the public service as distinct from security of tenure in the private sector under collective agreements? What do you mean by that?

Mr. Carnegie: To the best of my knowledge, governments have not closed in this country for some generations, and they are not likely to. Unfortunately, in the private sector companies do.

Mr. Renwick: So it has nothing to do with collective agreements?

Mr. Carnegie: I didn't say anything about collective agreements.

Mr. Renwick: I thought that security of tenure had something to do with the nature of the employment of the persons under the collective agreements or contractual arrangements with the government.

Mr. Carnegie: That may be your understanding perchance. In my opinion it has a great deal more to do with the employer.

Mr. Renwick: What you are saying is that because the government of Ontario won't fire anybody--

Mr. Carnegie: You said that, sir.

Mr. Renwick: --and lay them off, that somehow or other the workers should be punished for that.

Mr. Carnegie: I have not suggested at any time that anyone should be punished.

Mr. Renwick: If I could go back to my example, why in God's name would the chamber of commerce want to cut the wages of the street cleaners and the garbage collectors of the city of Toronto--

Mr. Carnegie: I beg your pardon--

Mr. Renwick: --or the orderlies in the hospitals of Ontario?

Mr. Carnegie: I'm sorry, but I did not suggest cutting anybody's pay to the best of my knowledge.

Mr. Renwick: Your first opening words were you approved of the principle of the bill. The principle of the bill is to cut the wages of persons in the public sector.

Mr. Carnegie: I beg your pardon, I beg to differ. The principle of the bill, as I understand it, is to limit the increases.

Mr. Mackenzie: A legal contract didn't mean anything then when they negotiated it.

Mr. Renwick: Do you understand, sir, on the uncontradicted evidence of Mr. Sean O'Flynn with respect to the two-year contract with the government employees that was entered into by the government of Ontario this bill will break that contract? Is the chamber of commerce in favour of this Legislature passing a law to break the contract that was entered into by your government and the employees in the public sector of the province?

3:30 p.m.

Mr. Carnegie: The chamber of commerce is in favour of the principle of the legislation, which will limit the increases of wages in the public sector in view of the economic conditions.

I am not in favour, clause by clause, with every bit of this bill, nor is my organization or myself convinced that this bill is the total answer to the difficulty. What I am saying is that the principle, at this point, that increases in wages in the public sector, particularly in the short term, in view of the economic conditions facing this province, are definitely working in the direction that it should be at the moment, bearing in mind, sir, that it is not being done in isolation but influences are being brought to bear on the private sector which are having exactly the same effect and are limiting the increases available in the private sector to their employees.

Sir, we do not wish to punish anyone. That is the not the thing. What we do wish to do is to try every available and possible system whereby in both the private and the public sectors, at the present time and over the short term, we can beat the economic conditions which are putting our workers out of work, are closing our plants and are making our province not the enviable place that it was.

That is what the chamber is saying. I refuse, sir, to be trapped into any exercise in which I am trying to zero down where there is particularly an individual injustice because I do not know the solution to any problem whereby everything is going to work out beautifully. What I have said and what I will maintain in front of this committee, and what our public stature is, is that basically the principle of limiting increases in the public sector for the short term has merited our approval.

Mr. Renwick: In what respect is the government overspending in your judgement or in the judgement of the Ontario Chamber of Commerce? Can you point to any particular area of government spending where overspending is taking place that you want to restrain?

Mr. Carnegie: I would suggest, sir, that I could not answer that question off the top of my head, but there would really be no problem in providing you with a more than adequate documentation over a great number of years in which we have indicated there are areas in which we feel--

Mr. Renwick: We would like to have just for this past year an analysis by the chamber of commerce of each of the programs of the government in which you believe there is overspending.

Mr. Carnegie: We would be pleased to provide this.

Mr. Renwick: Would you perhaps break them down into the educational field, the social welfare field and the health field?

Mr. Carnegie: We will provide those things which we have brought to the attention of the government, sir.

Mr. Renwick: All right. In what specific way do you believe that the adherence by the chamber to the principle of this bill will in any way either influence the inflation in the economy or the unemployment in the economy?

Mr. Carnegie: I think one of the comments which I did make, sir, was that we feel psychologically this is an outstandingly good move at this time, not only from the point of view of the government publicly expressing its concern and attempting to take an action which indicates it is very serious about reducing its expenditures, but also as a matter of relationship to those who are working in the private sector.

This is a very serious economic time that we are in. A great number of workers--and I use your expression, sir; to me, workers are anybody who happens to be employed, and I do not segregate someone who happens to make more for what he is doing than someone who makes less, if he is working for a wage--in the private sector have seen their income decrease or disappear. Those persons in particular cannot help but feel that persons employed by government do not face that risk because government can increase its revenues by taxation of all kinds of areas.

This is a very good time for the government to publicly show that, to say, "Yes, we recognize these problems are being faced in the private sector and we are not exempting ourselves." While I will not guarantee

While I will not guarantee you that there will be the slightest positive effect on the overall inflation at this point, I think there will certainly be a positive attitudinal effect. Without that, I do not think the problems you see today are going to get licked because if everyone sits back and says: "Well, that is it. I am worried about me but I am not worried about anybody else," the problem is going to continue.

I do not think I came in, sir, with the idea that this was an answer. In fact, I said to you I do not feel this is the total answer to anything, but I think it is an extremely good move on a public point of view at this point.

Mr. Renwick: I take it then, and I would sort of synopsise your approach to it, it is not so much a solution but a sort of a reversal of the "I'm all right, Jack," syndrome. Since I am not all right, I do not want anybody else to be all right. Is that the attitude of the chamber of commerce?

Mr. Carnegie: You have a marvellous and a unique method of expressing things, sir. That is not our attitude at all. Our attitude is very simply what I have just attempted to say to you, and that is that at this time it is the view of the Ontario Chamber of Commerce that a public action by the government to indicate its concern and to demonstrate its attempt to restrain the growth of government spending at this time is welcomed by the business community, which is being forced to do the same thing by market conditions.

I do not think I have heard anyone, sir, with the exception of yourself, say anything about "I'm all right, Jack, or "You're all right, Jack," because if we were all right, we would not have this bill, I would not be sitting down here right now and we would all be going about our business much more happily.

Mr. Elston: Are you able to comment on relative specifics of the bill today, or would you prefer to take back and make some submissions in written form with respect to some of our questions?

Mr. Carnegie: I am prepared today, sir, to bring you the directions of my board to support in principle the bill as it has been presented, period.

Mr. Elston: Is the chamber willing to provide us, to a greater extent, with an analysis of the bill in respect of those parts in particular with which you do not agree?

Mr. Carnegie: I will be delighted, sir, to take the wish of this committee to my board.

Mr. Elston: I wonder if you might specifically provide us with some comment with respect to the board that is set up in this legislation, the thoughts of the chamber with respect to preservation, or whatever, of natural justice that might help to make this board a little more effective and a little better--

Mr. Carnegie: Would you like our short list?

Mr. Elston: Short list? Yes, if you could bring it down to a readable--

Interjection.

Mr. Elston: What is the attitude of the chamber with respect to the segment of the bill concerning those government prices?

Mr. Carnegie: The attitude of the chamber relative to the pricing end of the whole thing is that essentially market forces will deal with those to a very large extent.

Mr. Elston: I am talking about the government prices that are--

Mr. Carnegie: I am not prepared, at this point, to comment.

Mr. Elston: Could you provide us with some information on the feeling of the chamber with respect to those prices that are controlled, directly or indirectly, by the government? In particular, could you comment on the Ontario health insurance plan and those who may receive government funds through such a program?

Mr. Carnegie: I would be delighted, sir.

Mr. Elston: Also, Mr. Renwick has asked you to provide us with information on health, education and social welfare expenditures of the government. I wonder if you might also--I think you will be already doing this--make some comment about other fields of government expenditure as well.

Mr. Carnegie: I would suggest, as I said to Mr. Renwick, we will be delighted to provide you with copies of the various areas we have spoken on.

Mr. Elston: Perhaps one area that you might provide us with comment on--I do not believe I saw an official response--is an official response on what the chamber's attitude is to the expenditure of money for the purchase of a quarter interest in Suncor.

Mr. Carnegie: We are on record as being opposed to that and have recommended that it be dispensed with.

3:40 p.m.

Mr. Elston: Will you also provide us with any recommendations you have with respect to development of further programs or suggestions that might be tacked on to this bill to help out, in the long term as opposed to the short term--

Mr. Carnegie: Any that we see, I will be delighted to do so.

Mr. Elston: Have you discussed that at all with your board members?

Mr. Carnegie: They are beginning to discuss that. This has been a very long-range problem, as you can well imagine.

Mr. Elston: Is it possible that you would be able to return? I am not sure how we would be able to schedule it, but I can sense there is an awful lot of material coming to us. Is it possible that you will be able to come back at some point to develop your short list into a much longer one?

Mr. Carnegie: One of the difficulties I face, sir, is that we are a federation of autonomous organizations located throughout the province. Unfortunately, with a very few exceptions--and I make no hesitation; I have a total of nine employees who spend their lives doing this. The rest of the folks do it in their spare time when they get a minute. These days we find in the business community there are a lot fewer minutes available for us than we would like to see. I will make no commitments on time frames. I will do the best I can.

Mr. Elston: There are certainly time constraints.

Mr. Carnegie: Collecting it is not always as easy as it sounds. Much of the material you are asking for, I might point out, will be brought forth publicly early in December in our annual presentation to the cabinet, which we are currently trying to collect.

Mr. Elston: That might be a touch late for our purposes.

Mr. Carnegie: Yes, it is, but that is one of the problems I face is. To get this stuff in just ain't that easy.

Mr. Elston: Can you provide us with at least some of this material? There are some very serious problems--

Mr. Carnegie: I will do the very best for you that I can, sir. I certainly will be in no difficulty providing you with such things that we have already brought to the attention of the government. But to go into the new area and to expand on it, I would be less than honest if I were try and make any promises I cannot keep.

Mr. Elston: Let us not look at hypothetical things. Let us deal specifically with the bill because I am very concerned that if you are here to support the bill--

Mr. Carnegie: I am here to support the bill in principle.

Mr. Elston: Yes. I realize that. In any event that is (inaudible) at this stage. Can you develop for us some clause-by-clause analysis of those points you feel ought to be changed at least? I think that is absolutely essential--

Mr. Carnegie: That is being done at the moment.

Mr. Elston: --if your presentation is going to mean anything to the committee.

Mr. Carnegie: It is being done.

Mr. Chairman: Is that it, Mr. Elston?

Mr. Elston: Yes.

Mr. Epp: Mr. Elston has covered a number of my points, including the government expenditures. I was just wondering, Mr. Carnegie, you have a number of chambers, but you have nine people locally, or in Toronto, in the Ontario chamber. There are all those other chambers out there, of one of which I am a member.

Mr. Carnegie: There are 160 roughly.

Mr. Epp: There must be some of them that could help you garner some of the material.

Mr. Carnegie: Very few, unfortunately, because in most cases in a community organization they are an even more loosely knit group with obvious exceptions, such as the major centres of Hamilton, Windsor, Ottawa, etc. In many of those cases, the only "staff" the chamber has is a part-time clerk who comes in and answers the mail and looks after the telephones.

So, again, it is done on an as-called meeting basis with groups of business people. It is just is not the nice, solid, day-by-day operation I would like to see, but then they get only one annual fee once a year and can only work so far. Some places, such as Ottawa and Hamilton and so on, do have staff and active committees. Yes, we will certainly ask them for their assistance.

Mr. Epp: Are the 25 or so people whom you were speaking of yesterday from across the province?

Mr. Carnegie: They are elected representatives from across the province.

Mr. Mackenzie: Let us go back for a minute, Mr. Carnegie. There are a couple of questions I have that deal with some of the topics my colleague Mr. Renwick was raising.

Part of your defence or support of the principle of this bill is the security of tenure you argue that public servants have, not being as affected by market forces, as you say.

We had the Etobicoke teachers before us last night with an excellent brief and part of that brief was that one in five of their members was out of work, 20 per cent. In my town, in the family service bureau, they have all just received notices that they are being shut down for at least two weeks because of lack of funds. That is for two unpaid weeks. Also, 150 chest clinic workers, essentially government workers, were called in recently and laid off, and the number and stories of layoffs occurring in municipalities and in government departments is no longer small. Now it does not yet beat the rate--

Interjection.

Mr. Mackenzie: Well, I do not know how it got to us, but we have a recommendation to government and it is significant. The seventh and final point in it is that the cabinet agrees that as a result of these actions--we are talking about the closedown now if they go through with it, a recommendation to them of some regional centres for the developmentally handicapped--the classified and unclassified staff of the Ministry of Community and Social Services will be reduced by 1,163 people.

In fact, it is a bit of a lie that we have security of tenure in the public service any more. If that trend continues, then do you not find some difficulty in justifying the position of the chamber?

Mr. Carnegie: I think if you go right to the basics, sir, again I do not know of governments closing per se. We can get into quite a philosophical debate as to what governments have done about their employees over the last number of years.

Mr. Cooke: I do not know of car companies that have closed either, but they have laid off some of their employees.

Mr. Carnegie: We have seen some of them come awful darn close and you are likely to see some close before the thing is over.

I do not know that we want to spend a lot of time at this point going back into ancient history, but essentially we feel that there were many too many government employees way back when. We have heard from the Treasurer (Mr. F. S. Miller) over the last

few years that through attrition and hiring practices, etc., the number of government employees in the main has been reduced somewhat. I do not know that I am in a position at this point to say that you are at a point now where you have merely adequate government employees to do the job.

I do not dispute any of the things that you have said, but man for man and job for job, I have yet to be convinced, as do my employers, that a person taking a job in the public sector at this point has the same risk of losing that job against a counterpart in the private sector. If you can change that opinion, sir, I will be delighted to be convinced, but I think in the main you have a much better chance of maintaining your job at this point in the public sector than you do in the private sector.

Mr. Mackenzie: Continuing with that, we also have information that there will be efforts made to replace current employees with contract or temporary help, which also gets around and makes the figures in the public sector look that much better, something we will be raising shortly. We also know that public sector settlements, in fact, have been behind private sector settlements for the last two or three years, as well as the acceleration we are now seeing in terms of the lack of security.

If you add that to what Mr. O'Flynn raised and our own research certainly verifies it, the immediate pullout in terms of purchasing power just from this program, which incidentally in one union alone, CUPE, rolls back more than 100 contracts, it is a wage loss over what was negotiated, in what was a legal agreement, but as well in the rollbacks they have announced, there is somewhere between \$400 million and \$800 million involved, which is about equivalent to a shutdown of an Inco and a Stelco for a year.

Do you not think that this also is going to have a pretty damning effect in terms of any economic recovery in the province?

Mr. Carnegie: I do not think there is any question that any control of income levels at any category you care to name is going to have an effect. We are not arguing that, sir. I will not dispute with you the fact that perchance in some cases over the last couple of years some public sector settlements have, in fact, been lower than some in the private sector.

Mr. Mackenzie: That is an across-the-board average, incidentally, for three years now.

Mr. Carnegie: I think, sir, if you carry your research much further you will find out that that has not been traditionally the case. There have been some changes in the last little while. I might add that it is something that the chamber has been pushing very hard on for many years. In fact, we have commented on that. I think Mr. Campbell can bear out that we were very pleased that had occurred because everything is relative. I do not suggest that any part of this bill is a wonderful and marvellous thing. I wish that there was no necessity for it.

However, we feel at the present time that it is appropriate. We do not wish to see the things the private sector is facing. We do not like to see plants closed. We do not like to see layoffs. We do not like to see extensions of layoffs. We would like to see full employment the same as everyone else, but we are not in times when that is happening.

I just do not accept, sir, that by saying that we agree at the present time that the principle involved in this bill is correct, that in some way we are going to be envisaged as some sort of neanderthal who is attempting to pick on someone who is defenceless and unable to look after themselves. We would like to have an ideal. I would like to have a perfect government, either here or federally, but I guess I am doomed to the fact that somehow, as long as humans are involved, there are going to be a few problems.

We do not alter our basic position, and our basic position, sir, is that at the present time, with all its faults, and we think there are many, this is a start. In principle, we think it is a good thing to be done. We wish it was not necessary.

Mr. Mackenzie: I have always detected or heard, I think, a recurring theme through the position of the chamber over the years that says no government or public intervention or as little as possible. Does this represent a change, or is it just that it does not apply that particular theme to the public sector?

Mr. Carnegie: No, it is not a change. I think the facts are, as I have just said to you, we would infinitely prefer that there be no government involvement. That is a recurring theme, and you are quite correct, and we still agree with it. However, we do not feel at the present time that we are dealing in normal economic times in this province.

We do not feel the thing is going to solve itself. We think that it is necessary that there be a combination of action both between the market influences which I have referred to earlier and action by the government and action by the federal government, combined with action by other jurisdictions, if we are going to get out of this thing with the minimum of disaster.

Mr. Mackenzie: And you clearly oppose extension of the controls to the private sector?

Mr. Carnegie: We feel at the present time they are not warranted because we think it has affected the private sector well ahead of this. We see and have seen for some period of time wage freezes and cuts both in management and labour in the private sector only for a very simple reason. If you are not making the money and you are not selling your products, you cannot pay anybody, be it management, labour or anyone else, and this is exactly why contracts in the private sector over the last little while have come down, because inflation has not. Those factors are there.

Mr. Mackenzie: This is not the time nor place for it, but we could have some real discussions as to what might be wrong with our industrial or economic sector over and above trying to treat it through some kind of controls on

Mr. Carnegie: We do not think it is perfect either.

Mr. Riddell: I just want to be given assurance that the chamber of commerce did not remain silent when it first learned of the government's purchase of 25 per cent of Suncor.

Mr. Carnegie: Let me hasten to assure you, sir, not only did we not remain silent, we spoke publicly to the media. We spoke publicly to the Treasurer (Mr. F. S. Miller) and we spoke to the Premier (Mr. Davis). We addressed each member of cabinet. We have also made several public statements in forums such as chamber of commerce meetings throughout the province, in which we felt that it was an ill-advised manoeuvre and we thought it should be reversed. There are many situations of that nature where we attempt to get on record very deliberately.

Mr. Riddell: Did you speak to the Premier about the purchase of the jet?

Mr. Carnegie: Yes we did.

Mr. Chairman: Mr. Riddell, we did stray a fair amount this morning on farm-gate prices but it had a closer connection. Now Suncor and the jet is getting a long way.

Mr. Riddell: What I am trying to elicit is that here we have a government that says do as I say and not as I do.

I am wondering now if the chamber of commerce has had any input into the millions of dollars which are being spent by the government in advertising?

Mr. Carnegie: I do not think, sir, that I could give you a specific on that particular thing. I will say that a recurring theme, certainly over the past 10 years I have been involved with the Ontario Chamber of Commerce, has been a continuing and urgent demand to all branches of this government that its spending be reduced and controlled and not spent on those things which are not required.

I think you will find in any number of documents filed with the House over the last years that that has not altered. Whether we have hit every single expenditure as an individual item or not, I do not think is true, but you can be damned sure if we know about it we sure tell them about it.

Mr. Riddell: You see, Mr. Chairman, I would find it rather ironical that the chairman of the chamber of commerce would advocate restraint of the public sector and remain silent on the government expenditures of money which in many cases I personally feel is a squandering of the taxpayers' dollars.

Mr. Carnegie: I would be very surprised also, sir. As a matter of fact, if we have not got your membership fee I will speak to you later.

Mr. Cooke: I have just a couple of questions. You have spent a fair amount of time talking about how government could cut back on expenditures. Do you have any suggestions on how government could perhaps increase its revenues, in other words, job creation programs to perhaps produce some taxpayers and which would also reduce government expenditures?

Mr. Carnegie: In the same frame that I have just spoken to the others, I have been involved with the Ontario chamber for 10 years. We make on average during the course of a given year some 30 plus major submissions, in addition to which there is a meeting with the full cabinet, a meeting with the opposition, a meeting with other various and sundry groups in which we deal with all of those issues.

Mr. Cooke: Out of your 30 some odd submissions, do you remember any of the suggestions you made?

Mr. Carnegie: To be perfectly honest, I could not give you a single solitary thing off the top of my head because eventually you begin to mush an awful lot together if you do not have some frame of reference. We have made recommendations to government repeatedly on various ways in which there can be job development, incentives for job creation. I do not know about improvement of tax revenues other than by adding to the work force.

Mr. Cooke: You supported the sales tax bill in the spring if I remember correctly?

Mr. Carnegie: I think we did, yes.

Mr. Cooke: You would not think that it would be perhaps a proper gesture on the part of this government to roll back that sales tax bill as part of a restraint program?

Mr. Carnegie: I would not be in the least opposed to see this government roll back all kinds of tax bills if I could find some solution that would not put you out of business. You are very correct. Our approval of that particular bill is not unlike our approval of this particular bill. It has hookers in it.

Mr. Cooke: Let me just ask you a couple of other things. You are going to provide us with a list of expenditures on the part of government that you think are wasteful. Could you also present us with a list of tax expenditures or tax incentives--whatever you want to call them--to business that are in your view not particularly productive and therefore should be cut out?

4 p.m.

Mr. Carnegie: I will make exactly the same commitment to you that I made to your colleague. Anything we have done that is available, I would be delighted to copy for you.

Mr. Cooke: I have two final questions which are very brief. I gather from your presentation that for you inflation is the number one problem.

Mr. Carnegie: Inflation is certainly a major problem.

Mr. Cooke: Are you not aware that unemployment is on the increase at this particular time, but that for the last three months in a row, inflation has run, annualized, at just over six per cent?

Mr. Carnegie: Yes, I am aware of that.

Mr. Cooke: And you still think the major efforts of government should be to fight further inflation rather than create jobs?

Mr. Carnegie: I did not say that.

Mr. Cooke: Your whole presentation has been on inflation.

Mr. Carnegie: I think I have referred to general economic conditions which include, in our opinion, such things as unemployment, productivity and availability of sales. It is not something in which you can take an individual situation. It is a combination.

Inflation is a problem. It is a lesser problem than it was. Interest rates are a problem. They are a lesser problem than they were. Unemployment is a problem. It is a greater problem than it was. But it is all of those things combined that are creating and carrying on the conditions that we are facing right at the moment. There is no single source of the big problem.

Mr. Cooke: I have just one final question. I do not think you answered one of Mr. Renwick's questions. One of the basic principles of this bill--and you said you support the principle of it--is breaking contracts. I just want a yes or no answer. Do you support the breaking, the ripping up, of collective agreements that government has apparently signed, supposedly in good faith, with the unions in this province? Do you support that kind of action on the part of a government in a democratic society?

Mr. Carnegie: I do not at any time support illegal activities by a government or by a business. I support the principle of this bill, which--

Mr. Cooke: Which makes it legal.

Mr. Carnegie: Yes, it does make it legal, but that is not the point I was getting to.

Mr. Renwick: That does not make it right.

Mr. Carnegie: No, it does not make it right at all. There are a lot of bits and pieces of this bill with which I am not delighted. I do not have a better solution right at the moment.

We feel the basic idea of restraining increases in the public sector for a short time, to assist in the fight we are facing collectively at the moment, is an excellent idea. We are in complete sympathy with the fact that there are some problems connected with doing so.

Mr. Cooke: So that justifies the ripping up of contracts.

Mr. Carnegie: You know how the old expression goes: I do not know how to make an omelette without breaking eggs. I am not attempting to be facetious. This is not perfect legislation. On the other hand, I do not know that I have seen a piece of perfect legislation coming out of this House. I have seen some good ones and I have seen some bad ones.

Interjection: For 40 years.

Mr. Carnegie: I find that particular aspect repugnant. On the other hand, I do not know how else you would deal with this situation. I do not know how else you would, on an overall basis, play fair with all of those employees without doing something of that nature because you would have one group that was exempted again. Other people would not be given the opportunity unless all of your contracts, every single one of them, came on the same day. That is not the case. There is no other way that I can see to bring in a control because you would always be on a catch-up basis.

No, I am not happy with it. No, I do not approve of breaking contracts, but I also do not know how you legislate without making an exception in a case where you have staggered contracts, not without giving someone some terrific advantage over someone else. The basic reason we are in favour of the principle of this bill is that essentially it shows that we, being the people in Ontario, are not attempting to give an advantage to one group over another group.

Mr. Chairman: Thank you very much for your presentation. I believe that ends the questions.

Before we hear from the next group, gentlemen, may I point out that we have five groups and less than two hours left. The last group is from Grey county. The others are from Metro Toronto. Does anyone wish to make any suggestions, except to carry on exactly as we are, attempting to be fast?

Mr. Epp: If you are suggesting that we should hear the group from Grey county if they are available--

Mr. Chairman: I am not suggesting anything.

Mr. Epp: If you are suggesting that we suggest something, or if you are thinking out loud, I would be glad to

make that motion, provided they are ready to make their presentation, as they have a greater distance to travel, unless it is going to cause consternation in the committee and among the delegations. I think we have done that in the past. Talking about precedents earlier, there is one for that.

Mr. Chairman: I would just ask you to remember the Grey county group, please, as the time goes by. It would be a shame to ask them to come back tomorrow afternoon from that distance.

Shall we call on the second delegation, the Canadian Union of Educational Workers, Messrs. Moloney and Kulchyski? Could you identify yourselves?

Mr. Moloney: I am Kevin Moloney, president of the Canadian Union of Educational Workers. Here is Peter Kulchyski, the treasurer of our organization. We are a union of teaching assistants and part-time faculty in Ontario, and we have about 5,000 members at post-secondary educational institutions, all affected by the wage controls.

Mr. Chairman: Gentlemen, this is exhibit 12.

Mr. Moloney: In the envelope you will find a copy of our submission, which is in two parts. You will find a copy of a letter we sent out to MPPs, which contains additional information. There is also an article from a newspaper with additional information and a copy of an advertisement about a forum, one of a series of forums we are putting on opposing wage controls.

We are going to start the submission with Peter Kulchyski presenting the impact Bill 179 will have upon our members in CUEW.

Mr. Kulchyski: If you will look at the second part on how controls may affect CUEW, on the double-spaced piece of paper, I shall simply go through it.

The proposed legislation on wage controls may have a number of grave, if not disastrous, results on our membership. Many of these have to do with the specific nature of our bargaining units and the unusual situation they will be in if the legislation is implemented. This part of the report will deal briefly with some of the implications of the proposed legislation on our union. So this is a more specific, although fairly brief report, on how we feel we in particular are affected by the legislation.

The first point is wages. Our members are at the lowest end of the wage scale. We get paid between \$2,500 and \$5,500 per appointment. For a full-time graduate student, who by legislation is only allowed to work an average of 10 hours per week, this amount is often his or her total yearly income. They cannot earn more than that amount, which is usually around \$5,000 over the school year.

Our part-time employees are allowed to hold more than one appointment or to work at other jobs, but their position tends to be even more tenuous, as with salaries this low they are forced to take on enormous work loads to maintain an acceptable standard of living.

At York University, in Local 3 of CUEW, of approximately 450 part-timers, only 45 people have incomes of over \$14,000 a year and only 10 of those have over \$18,000 a year. Thus, whether full-time graduate student or part-time employee, CUEW members can be seen as being at the lowest end of the wage scale. That is first in our report. We emphasize that we are extremely poorly paid people by any standard.

Further, our members can hardly be seen as a cause of inflation. By and large, our locals have seen themselves as lucky if they have over the past few years been able to negotiate a contract at inflation. For example, at the University of Toronto, Local 2 of CUEW, the largest of our locals, has over the past five years negotiated for the MA teaching assistants 3.7 per cent in 1978; 8.5 per cent in 1979; five per cent in 1980; 13.8 per cent in 1981 and 11.9 per cent in 1982.

By and large, across our locals we have usually been just under or just around inflation. Some are way under inflation, but I think the average is close to inflation.

4:10 p.m.

Given the sizes of our salaries in the first place, it should be clear that Canadian Union of Educational Workers is in no way responsible for inflation. Whatever we get paid and even if we negotiate a settlement marginally above inflation, we're still so poor that we're just surviving a little bit better.

Cutting back on our salaries will in no way help cure inflation. For our members, already paid so poorly that they can barely afford to hang on to their positions, wage controls would have an enormously harmful effect. Many of them would very simply be forced out of academia.

I can illustrate the wage part of it graphically by my own example. Last year I lived off a full teaching-assistant salary which was \$4,400 at York. At the end of every month, which was when I got paid, I went for two or three days without money, which meant at some points going without food, without TTC transportation, without anything.

I was simply broke at the end of the year. If we fall to any degree behind inflation, people like me will have to question whether or not we can afford to be teaching assistants, whether or not we can afford to be graduate students.

I'll go on to benefits. In the context of very low wages and little expectation to improve that situation above inflation, many of our locals in the past have stressed nonmonetary issues in negotiations. These are very important for our membership, because we don't expect to be getting tons and tons of money. These have included job security, visa student equity, work loads, sexual harassment, class size, safety in the laboratory and other issues that involve working conditions and quality of education.

Though we are unclear as to how the legislation would affect our ability to negotiate around these issues, it is certain that

any undermining of our right to strike or negotiating leverage would leave us powerless to negotiate in a meaningful fashion.

Our union sees itself as having an important role in voicing its opinions and advocating a certain perspective on the nature and direction of post-secondary education. We see ourselves as an integral part of the university and college communities. By taking away our right to collective bargaining, the proposed legislation would leave us powerless to continue to play that role.

It has been argued by some, and I want to emphasize this because I've been hearing this today and I've been reading a lot about it, that public sector employees should not oppose the legislation on the basis of their comparative job security vis-à-vis the private sector. In this argument public sector employees would trade off high wages for job security.

In CUEW the most our members have is very limited job security. Full-time graduate students, at the most will get a status that give them some priority for a certain kind of position for a limited number of years that always ends. It's never enough. Part-time employees at most get an edge over each other in the early scramble for positions.

In the university and college context of annual enrolment variations, CUEW employees serve as the buffer zone group who teach in whatever jobs are available and compete with each other to get those jobs. We have no guarantee of year-to-year work.

The proposed legislation would imply that we trade off an even lower salary than we already have for nothing. We don't have job security, basically. We have very little of it. We're not trading off for anything. We have nothing. We would make that case for the public sector in general.

Finally, with regard to benefits and nonmonetary issues, one general point is worth noting. By the nature of much of our membership, the fact that they are graduate students, our union has a high rate of turnover. We get a lot of different people on a year-to-year basis. We get a relatively high percentage of new members every year.

It is thus important that we negotiate meaningfully on an annual basis in order for all our members to have a democratic role in deciding what kind of working conditions they will be employed in.

We take that very seriously and we take seriously the fact that members should have an input into negotiating what kind of conditions they'll work under. Any legislation that rolls over a past contract will mean that a bulk of our members will have no role and no opportunity to have a role in influencing the conditions they will work under through collective bargaining.

This legislation makes it almost impossible for us to be a democratic union. We have a lot of trouble being able to have our membership come and vote over what kind of conditions we want to advocate they work under.

The third part is some specific cases. Two of our locals are in current negotiations. Those are Local 4 at Ryerson and Local 6, McMaster University. They are negotiating right now. In both cases they have made agreements with management over certain issues while other issues remain unresolved.

For example, Local 6 at McMaster has negotiated health and safety provisions paralleling the provincial government's legislation which, unfortunately, neglected to include us. They've just managed to negotiate some health and safety provisions which, if the legislation is passed on wage controls, basically they won't get. We see the legislation in our context as being rollback legislation, taking away what we've already won to some degree.

Obviously our members cannot afford rollbacks of any nature. We're already very marginal. We can't afford to lose anything of what we've already won.

In conclusion on the specifics of how the legislation affects the Canadian Union of Educational Workers, for these reasons and others we at CUEW must strongly oppose the proposed legislation on wage controls. We cannot see the legislation as having anything other than a totally destructive and disastrous effect on our membership.

Limiting the increase on our already extremely low salaries would put our very survival in question. Blocking our effectiveness to bargain over nonmonetary issues that deeply concern our role in the university and college communities places our being as a union in question. We cannot see how placing controls over our wages would in any way significantly bring inflation down.

Mr. Moloney: I have something to say about our general stand on Bill 179. Our stand is quite simple: complete and determined opposition to the bill.

We oppose the bill on a number of grounds relating both to its attacks upon trade union rights and to its analysis and proposed solutions of the current economic depression. We cannot and will not tolerate such efforts to undermine the rights of working people and of trade unions in Ontario.

Bill 179 seeks to take away basic rights which have been secured through the efforts and sacrifices of generations of Ontarian workers, rights which were sought because they offered some basic protection from unfair or uncaring employers.

The right to bargain collectively has been established by law in Ontario since the Trade Union Act of 1872 and the subsequent Criminal Law Amendment Act. At this point courts could no longer rule, as they had previously, that "a combination of workmen to affect conditions of work was a conspiracy at common law."

Through the evolution of protective legislation, trade unions were gradually freed from the barriers of various repressive legislation and allowed to operate if the workers were able to form such unions at the work place.

Unionism, the recognition of unions as a bargaining agency of workers, negotiations and agreements were all possible without being a violation of any law.

This was the gain of the late 19th and early 20th century for working people. They were permitted to bargain as a group collectively. Bill 179 apparently seeks to turn back the clock on these developments and to transform the process of collective bargaining into the more humble and shameful one of collective begging.

By this bill all meaningful collective bargaining over terms and conditions of employment is to be removed by extending existing compensation plans. No longer would employers have to bargain in good faith. No longer would both parties be required to seriously and conscientiously discuss bargaining proposals, no longer will there be access to procedures of conciliation, mediation and arbitration to settle disputed issues.

Problems that workers face in their working environment, be it health and safety hazards, sexual harassment, discrimination, workloads or whatever, not yet covered in their collective agreements will apparently have to be endured unless and until the employer condescends to bargain. Even then, with the last resort pressure tactic of a strike threat removed, with any job action being decreed as illegal, such bargaining will become a hollow facade.

The right to strike has been and remains a fundamental right of working people. When faced with an intransigent employer over important bargaining issues workers have retained the basic right to withdraw their labour from that employer in an effort to secure a just settlement.

Working people have little enough economic power to shape the form and recompense of their working life and so the right to withdraw their labour is fundamental. This right was also grudgingly secured during the 19th century through the organized efforts of the Canadian labour movement.

It was in 1877 that the registered unions could utilise their right to strike without being guilty of the crime of breach of contract of service. One hundred years later Bill 179 declares that the right to strike will no longer exist for public sector workers. Once more working people will be threatened with imprisonment if they withhold their labour from their employer.

It is obvious to us as trade unionists that no one wants or likes to go on strike. The impact of strikes on workers and their families can be crippling and the loss of income and associated hardships can be a heavy and durable burden.

The strike weapon, however, remains a vital tactic as a form of pressure in the last resort to protect working conditions and living standards. It remains a right which we as a trade union cannot allow to be taken away from us.

The irony of a government espousing the rights of workers in

Poland to bargain collectively and to strike, and we also support their rights, and yet stripping its own workers of those very same rights is almost too much to comprehend.

Furthermore, this government, through Bill 179, seeks to roll back agreements fairly and legally reached between unions and employers. A number of our brothers and sisters in other unions whose contracts expire after September 30, 1983, will have those contracts rolled back on the anniversary of those effective dates.

In our union two locals are in the midst of bargaining and have reached agreement on a number of important issues. It seems that these two will be cancelled.

The objections of the Canadian Union of Educational Workers to Bill 179 are many, but the focal point of our opposition has to be the bill's attack on trade union rights. We will maintain a determined and unswerving defence of the right to bargain collectively and of the right to strike.

We cannot accept the crude and distorted economic analysis purveyed by the architects of Bill 179 and utilized by them as an excuse for a frontal attack upon public sector trade unions. This analysis in its simple form runs as follows:

4:20 p.m.

Public sector workers have used their bargaining power to gain improvements in salaries, benefits and working conditions which have acted as a stimulus for a wage-price inflationary spiral. The soaring economic gains of these workers, feather-bedded on a base of complete job security, have been sharply out of line with any standard of fair increase and therefore in order to curb inflation public sector workers must themselves be curbed. The whole community is suffering from the current economic crisis and public sector workers must do their bit to exercise restraint.

As an escape from economic reality, this form of analysis can scarcely be equalled. It is nonsense, both empirically and theoretically. At best it's cynical scapegoating. At worst it's a crude effort to ensure that the cost of the present economic depression is paid for by working people aiming to redistribute income and wealth from public sector workers back into the hands of the government. It, in turn, will contribute it to private sector enterprises in their efforts to boost profits and stimulate the process of corporate investment. The rationale for Bill 179 constitutes economic theory in its most blatant ideological form.

We are sure other public sector unions will furnish more complete evidence concerning the history of wage and benefit settlements in the public sector over the past few years. We can do no more than repeat some commonly known statistics. Research undertaken by the Ontario Public Service Employees Union, "Aged, Taxed and Angry; The MacEachenomics of Wage Controls," OPSEU, July 1982, establishes that the average wage and salary earnings of employees in Canada and Ontario has not kept pace with inflation over the last six years. Further, public sector earnings during

this period were less than the average earnings for the private sector in Canada and Ontario. In fact, the gap between earnings in the private and public sector has increased over the last five years.

Increases won in collective bargaining show the same disparities. In Ontario, it is only in the last one and a half years that public sector increases have been ahead of the private sector. If one surveys the economic disaster areas of Sudbury, Hamilton, Brantford, Windsor and the like, it is obvious the devastating impact of layoffs, unemployment and cutbacks have scythed through the private sector increases. It is not a case of public sector workers somehow managing to secure unfair or irresponsible gains.

The position of our own members give further lie to the economic myths at the back of Bill 179 which point the finger at prosperous and greedy job-secure public sector workers. Our members have little or no job security. They do not know from one year to the next whether they will have a job or how many hours they will be able to work. Our own members know that their real income has on average fallen consistently over the past five years while tuition fees and other educational costs have soared. Their aspirations are not for their holiday home or for their second car, but rather to pay the rent next month, to clothe their children, to have enough money to pay their food bills.

Bill 179 seems to constitute nothing more than a crude piece of political opportunism, designed to bludgeon unions and scapegoat public sector employees. The tragedy is that it will do nothing to combat the economic crisis which has such dire consequences for our members and for so many other workers, farmers and small business people in Ontario.

We are not blind to the fact of economic depression in Ontario. It is our members who suffer the brunt of it. Working people are faced with layoffs, redundancies, unemployment, wage cuts and rollbacks, all this on a backdrop of insane interest rates and spiralling inflation. We want and need a solution to the crisis. But given the sham of economic analysis backing Bill 179, what can we say about its proffered economic policies?

A couple of simple questions come to mind. If we, along with other public sector workers, are subjected to further enforced cuts in our real income, we have to ask, "Who is going to buy the cars, the fridges, the shoes, the clothing, the agricultural produce and the services provided by workers in private industry?" It seems likely that those who constructed and support Bill 179 have high incomes and private wealth. The majority of those on this committee probably spend the equivalent of our annual salary on their entertainment budget alone, but will this be enough to take up the slack of consumer demand?

Cuts in real wages in the 1930s did little to stimulate the economy. To take a contemporary example, the consistent drop in real wages over the last 10 years in England has done little to improve an economy where inflation and unemployment continue to be the only growth areas. If inflation is really the target of Bill

179, where are the controls on food prices, rents, fuel, clothing, housing and so on? Even public agencies in Ontario are merely to have their price increases reviewed by the proudly named Inflation Restraint Board.

Recommendations from the board will remain just that unless the government decides otherwise. One might also ask how imprisoning low-income workers in a trap of poverty is going to aid economic recovery. Low-income workers--and virtually all our members fall into this category--will suffer enormously from this bill.

The exception to the five per cent rule "intended to help public sector employees with lower incomes" allows a discretionary amount of up to \$1,000, but the discretion is left up to the employer. With no bargaining power left to the employee, it would seem that such increases would be few and far between. Formalizing the structures that entrap low-paid workers will also perpetuate the existing structures of inequality which continue to exploit women workers and other groupings subject to discriminatory treatment.

It would seem to us that two separate and substantial targets exist which an attack upon the present depression must single out: Unemployment and inflation. As we have pointed out, Bill 179 does nothing in substance to attack inflation. It does not set out to create one single job.

Given that over 300,000 workers in Ontario have lost their jobs in the past year and that the figure for Canada is 750,000, it would seem that a campaign at creating employment rather than assaulting trade union rights is called for. Even if Bill 179 were to tackle inflation, and this we deny, it does not follow that a reduction in inflation rates will lead to a decrease in unemployment. Recent figures from the federal government would seem to illustrate this.

Further, the impact of Bill 179 will continue the devastation of post-secondary education in Ontario. As workers in this sector, we are convinced that a healthy education system is vital to the continued economic growth and prosperity of this province. Yet the provincial government seems content to further strip post-secondary education of its required funding and to attack the existence of graduate education.

The bulk of our members are graduate students, required by law to work no more than 10 hours a week. Their salaries are already well below any Canadian poverty level and yet they are expected to take further cuts in their standard of living--an absolute impossibility. See the budget attached to the letter; this is a budget constructed by the Ontario Graduates Association of a typical graduate student's budget. You will see how much leeway we have to take further cuts in our wages.

Many graduate students will be forced to leave their programs, others will take under-the-counter employment elsewhere. The impact upon the level of accessibility to post-secondary

education will be horrifying. In the future, only the rich will be able to attend university.

Our conclusions are pretty simple as well. Bill 179 is a blatant piece of reactionary legislation designed to attempt to scapegoat public sector employees for the current depression and to seize the political opportunity for a frontal assault upon the rights of workers and trade unions. It will do nothing to stimulate the economy in Ontario; rather, it will perpetuate the problems of savage unemployment and will worsen the position of low paid workers and constitute a further assault upon post-secondary education.

Any escape from the current crisis will have to be one in which all sectors of the community in Ontario join together to tackle unemployment and inflation. Bill 179 will militate directly against any such possibility; the entire trade union movement of Ontario will fight this bill until it dies. The arena has been opened for a full-scale confrontation between the government and the labour movement; no solution to the crisis can be envisioned in this kind of climate.

The Canadian Union of Educational Workers will continue to fight this piece of legislation to the best of our ability, alongside our fellow workers in Ontario.

Mr. Cooke: I just have one question. What has happened to your membership, or the number of teaching assistants over the last number of years, with the cutbacks at universities? You might have used that statistic but I am not sure; I could not pick it out when I was looking through the brief.

Mr. Moloney: It varies from local to local; for instance, at the bargaining unit at the Ontario Institute for Studies in Education our membership has been cut in half by layoffs in a number of researches.

Mr. Cooke: Where is this?

Mr. Moloney: OISE. It is the same all around. If they are not cutting back on jobs, they are cutting those jobs in half. We can work 10 hours a week; half of our members get jobs at five hours a week or two and a half hours a week to try to live on for a year.

Mr. Cooke: So you have no guaranteed jobs, or membership, because of the cutbacks that have now existed for well over a decade in colleges and universities in our province.

Mr. Moloney: We have a certain amount of job security in some of our locals, but that job security is only from year to year. We have no definite guarantee of job security or the number of hours we may work. In some of our locals you can work 10 hours one year, five hours the next year, eight hours the next year.

Mr. Cooke: Has there been any kind of feedback from universities that they may not even be able to meet five or nine

per cent if the restraint program really impacts hard on transfers to colleges and universities?

Mr. Moloney: I am not sure, it is up to the universities themselves to decide. We know that if wage controls are imposed on our members especially in the departments where scholarships are not available, which tends to be in the arts and social sciences, hardly any of them will be graduate students any more. There will not be graduate students in the arts and social sciences in Ontario with this wage control bill. Unless the departments have graduate students, they cannot get funding and there will be no more graduate students at this rate.

Mr. Cooke: Of course, we know on the other side too, as far as student aid goes, that all of your members would not be able to take advantage of the Ontario student grant program. Even for student loans, the amendments, in terms of the components for costs for students, have not been upgraded to come anywhere close to inflation over the last number of years.

Mr. Moloney: That is correct. Our members are not eligible for student grants.

Mr. Renwick: I admire the restraint of your language and I would certainly like to associate myself with your conclusion that Bill 179 is a "blatant piece of reactionary legislation designed to attempt to scapegoat public sector workers for the current depression and to seize the political opportunity for a frontal assault upon the rights of workers and trade unions."

4:30 p.m.

Mr. Elston: I was just wondering if you might comment on your feeling towards our prime problem right now in Ontario. Can you pinpoint that problem at all for us, in the opinion of your--

Mr. Moloney: Unemployment is the main problem in Ontario right now.

Mr. Elston: Unemployment. Does it have anything to do at all with inflation, in your opinion?

Mr. Moloney: The relationship between inflation and unemployment is a very complex one. There is not a simple cause or relationship between the two. As you can see in Canada as a whole, and in England, where wages themselves fall, inflation is rising and unemployment is rising.

Mr. Elston: Is there any connection, in your opinion, between government spending, for instance, in the broader sense, and this inflation we are into now?

Mr. Moloney: If one sees government spending on job creation, we would think that might help solve some of the crisis of unemployment in the province, but government spending in order to prop up corporations, who merely extract that for increased profits, would not seem to do much to aid economic recovery in the province.

Mr. Elston: Is there any reaction to the size of government deficits at this point in time?

Mr. Kulchyski: From our perspective, we see the crisis as not, the current economic problems as not, being some present statistic; current unemployment, current inflation, we see that as simply evidence of a much more grave and serious problem of the economy generally which has been occurring over the past--you would have to go back to the history since the war years and it also has to do with, we would say, the irresponsibility of the present federal and provincial governments in planning the Canadian economy.

Mr. Elston: Would that have any reflection at all on the growth in both of those government sectors, to a limited extent, I suppose, through to some municipal governments as well in the size of the deficits that have to be financed by the taxpayers? Would you recognize any connection there at all?

Mr. Kulchyski: It depends on which taxpayers you are saying should pay for the deficit, who should be taxed and how much certain sectors of the economy should be taxed.

Mr. Elston: As people who are at the end of the line, so to speak--I presume you look at yourselves at that area--you already know now, from what happened last year and what is happening this year without restraints at all, that there are fewer dollars now at the university and college level to deal with employment possibilities.

Can you give us some idea of how many positions have been affected--last year, for instance--where you are currently employed?

Mr. Kulchyski: At the present time, we are trying to gather statistics by locals (inaudible) past few years.

Mr. Elston: What about in your own?

Mr. Kulchyski: In my own local, with 1,000 people, we are trying to determine by university--people, because of the cutbacks, are going to different universities and some locals are going up. But people are getting--

Mr. Elston: So it's starting to be a little migrant?

Mr. Moloney: What is happening is that students, people leaving high school, have no jobs to go to so they go to university instead. So in some cases that offers more job opportunities for our members because they need more teaching assistants, because they are a cheap form of labour to teach university students.

On the other hand, the cutbacks are happening. For us, in some of our locals we are being cut back in numbers and in other locals we have been cut back in our work load is being increased.

Mr. Elston: In terms of hours?

Mr. Moloney: The hours remain the same--the amount of work we have to do.

The class size has been increased enormously over the last five years. We have more people to teach. We have more preparation work to do.

Mr. Elston: Would you provide us with information? Can you assemble it within the week?

Mr. Kulchyski: We could attempt to assemble this information.

Mr. Elston: At least your own local, for instance, would have some information on the cutbacks in terms of opportunities.

Mr. Moloney: Sure. It is hard to gauge because often what happens is that they employ undergraduates to do teaching assistance instead and that means they can pay them half the rate that they can pay a graduate student.

Those kinds of things happen. It happens that people are overworked more. It happens that people have their hours cut and are expected to do the same amount of work in those hours in which they were to do before.

Mr. Elston: In your union, is there a greater effect with respect to female teaching assistants than there is with respect to male teaching assistants as a result of this bill?

Mr. Kulchyski: In terms of the part-timers' situation, part-time teachers at university tend to be female graduate students who have graduated and since they are not hiring tenure (inaudible) any more a lot of them are part-timers because it is a male-dominated field.

Mr. Elston: In your union, among the people who belong to your association, is there a differentiation between male and female?

Mr. Moloney: Not in pay rates. The impact of this on access to universities as it stands now, the number of women graduate students going to university, is not in proportion to their percentage of the total population. It is the same for a number of other groups that do not have the same access to education.

Mr. Elston: That is a reflection of problems other than Bill 179.

Mr. Moloney: Sure, but Bill 179 is not going to aid that. It is going to restrict access to university. You cannot go to university unless you have money to see your way through university. If the only money you can get is as a teaching assistant, because you are only allowed to work 10 hours a week, that money is not enough to live on, unless you have rich parents who are MPPs, and you cannot go to university basically.

Mr. Elston: What would you perceive the effect on your situation without controls, bearing in mind as representatives of your union the limitation of funds that are being sent out to universities now?

Mr. Moloney: The effect on our situation without controls?

Mr. Elston: Yes.

Mr. Moloney: At least without controls we would have the right to bargain around our working conditions. We are not covered by health and safety where we work. We are trying to bargain it into our contracts, so basic things like trying to bargain about how we work at university is important to us.

Mr. Elston: Do I understand you would probably rather see this bill completely withdrawn?

Mr. Moloney: We have total opposition to the bill.

Mr. Elston: Can I ask you a hypothetical question? If you choose not to answer, that is fine. I am wondering if there were a provision placed into this bill which provided bargaining with respect to those issues surrounding occupational health and safety issues and issues such as that in terms of working conditions, class-rooms and things like that, in your opinion, would that be of assistance to your general membership?

Mr. Moloney: Trying to amend this bill is like trying to improve the black death or something. It is impossible, you cannot do it. It is a terrible piece of legislation and we will not countenance any talk about trying to amend the bill to make it passable or acceptable to our members.

Mr. Elston: Is it not reasonable to anticipate in terms of the numbers situation that this legislation will probably go through?

Mr. Moloney: Well, certainly it seems to be going through with the support of the Liberal Party.

Mr. Elston: But in terms of amendments that we are trying to make, there are certain things that we see as probably going some way to providing--

Mr. Moloney: When any group can support a bill, the essential thrust of which is to smash trade unions in Ontario, to try to amend that bill to make it a little bit nicer is absurd. You cannot salvage your conscience by doing that, by helping a few groups within the public sector union. If you do not like the bill, oppose the bill. Do not try to ask us to make it easier for you to do so.

Mr. Elston: I am not asking you to help us do anything, but what I am trying to do is see whether there are some things that can be done.

Mr. Moloney: If you want to try to salvage your conscience by finding a few things which might improve what happens to our members, then it is up to you to decide. We do not want to talk about it. We oppose the bill in all its forms.

Mr. Kulchyski: And will continue to because our members are simply opposed to legislation which is against the trade union movement.

I have just got some statistics from the Ontario Institute for Studies in Education if you would be interested. Over the last three years the amount of employees they have had has halved. In 1980-81 they had 350; in 1981-82, 228; and in 1982-83, this year, 154, while over those years they have progressively been allowed to work a greater minimum amount of hours per week.

Mr. Moloney: That is after Mr. Carnegie saying that our public sector workers have great job security. We are public sector workers.

Mr. Chairman: Thank you very much for your presentation. That completes the questioning. May we have the next group? There are six groups, the Ontario Secondary School Teachers' Federation, representatives from districts 12, 13, 14, 15, 16 and 51. I am not sure how many people are here, with those groups certainly more than one.

4:40 p.m.

Mr. Epp: Mr. Chairman, you pointed out earlier that we have a number of groups and that one is from the Grey County Board of Education. It is probably the only group that has to travel some distance. I was wondering whether it would be in order, if everyone was available, to hear them next, rather than to hear them late and then have them travel back.

Mr. Chairman: Are the Grey county people here? Yes, they are. Is it the wish of the committee that we go out of order and take the Grey county group next, after the Ontario Secondary School Teachers' Federation group? It appears to be the consensus. It will be in that order.

Would you identify yourselves please?

Mr. Clarke: Mr. Chairman, I am David Clarke, president of district 15, OSSTF. On my immediate left is Marlene Miller, president of district 14. On my far left is Jim Gannett, president of district 12, Etobicoke.

I would like to offer regrets from president Sue Borowski of North York, president Andy Andoniadis of Scarborough and president Jeremy Richardson from district 51, East York. Although all six presidents have approved the brief, three were unable to be in front of the committee today.

This is a written statement I am presenting to the committee.

13. Mr. Chairman: Committee members might note it as exhibit

Mr. Clarke: We are in the process of putting together our brief. It should reach the clerk of the committee by Friday.

We represent approximately 8,650 secondary school teachers who work for the Etobicoke, North York, York, Toronto, Scarborough and East York Boards of Education. Our members comprise about 25 per cent of the membership of the Ontario Secondary School Teachers' Federation. We are part of the 62.2 per cent of the OSSTF membership which to date does not have collective agreements.

We appreciate this opportunity to appear before you. We wish to explain the anger and the indignation which is deeply felt by Metro's teachers and which was caused by Bill 179, the Inflation Restraint Act, 1982. This bill gives immense power to the cabinet and makes null and void the collective bargaining procedures which have been taking place under the School Boards and Teachers Collective Negotiations Act, Bill 100.

Under Bill 179, school boards will have the power to refuse to discuss programs and staffing with their teachers. The right to free collective bargaining is a hard-won fundamental right, which is as fundamental as the individual and collective rights which are enshrined in the Canadian Constitution.

Demands for wage restraints in the public sector have been supported by the claim that high settlements in the public sector are leading other settlements in Canada to dangerously high inflationary levels. In his statement to the Legislature on September 21, 1982, Premier Davis said that one objective of the bill is to "reduce inflationary expectations." However, when one compares public sector increases with private sector increases, including those with cost-of-living clauses, the pattern clearly shows that private sector increases have been greater.

In June 1982 Philip Smith, director of the fiscal policy division in the federal government Department of Finance, stated: "The public sector has in fact shown a fair measure of restraint relative to the private sector since 1978." More specifically in the area of education, this is further explained in an analysis of "School Board Salary Settlements in the Context of Public and Private Wage Change," prepared by Professor D. A. L. Auld of the department of economics, University of Guelph. In his presentation to the Ontario Public School Trustees Association on June 5, 1982, Professor Auld concluded that:

1. Wage increases in the school board division of the public sector have fallen short of wage gains in the Ontario private sector.

2. School board settlements in Ontario lag behind those in the rest of Canada.

3. In every quarter since 1978 the rate of increase in wages in the school board sector has fallen behind the rate of inflation, indicating a cumulative decline in average real wages over the 1978-81 period of more than seven per cent.

Furthermore, Professor Auld found that over the past two decades there has been little fluctuation in the position of salaries of secondary school teachers relative to those in other occupations. A synopsis of the Auld report is appended.

The contention that job security of teachers relative to that in the private sector is an adequate tradeoff for wage restraints is very difficult to support. For the next two years, student enrolment in Metropolitan Toronto is projected to decrease by eight to ten per cent. The attrition rate of teachers due to retirements, resignations, etc., will probably be between 1.5 and two per cent. Thus, by June 1984, there may be between 50 and 100 fewer teaching positions. When teachers learn of the long-term pension penalties caused by the five per cent year, it is likely that attrition rates will decrease. This in turn will cause more teacher surpluses. I will describe these pension penalties later.

There are bound to be severe difficulties at the end of the two-year term of the proposed legislation. The give and take of collective bargaining has resulted in a reasonable relationship between levels of teacher compensation across Ontario, but the bill would cause teachers in neighbouring areas to receive significantly different amounts of compensation by the end of the two-year term.

Uncertainties with regard to gratuity and pension payments will contribute further to the confusion and discontent. Bill 179 will cause considerable inequities in salary payments which are unfair and arbitrary. For example, a Toronto teacher, at the maximum of category 4--the equivalent of four years of university plus one year of teacher training--would receive \$3,069 less than a Peel County Board of Education teacher and \$2,548 less than a York County Board of Education teacher over the next two years.

This will occur only because the Peel and York county boards settled before the September 21 deadline contained in the bill. Teachers who retire in June 1983 or June 1984 will suffer long-term and unfair penalties because of Bill 179. For example, a Toronto teacher retiring in June 1984 who is at the maximum of our category 4 salary grid will receive about \$12,000 less, aggregated over a 10-year period, than colleagues who teach in Peel county. The exact amount depends upon annual inflation rates and on the amount of compensation negotiated within the 1982-83 year. Assuming the teacher retired at age 58, according to the latest mortality statistics, this unjust penalty would continue for 24 years.

Bill 179 will make it very difficult for boards to meet their legal obligations for the needs of special students. Bill 82 has amended the Education Act so that boards are required to provide special education programs for special students. These special programs required additional staffing, and staffing levels

are a matter of negotiation between boards of education and teachers. Boards are already suffering because of inadequate Ministry of Education funding, and now Bill 179 severely impairs the teachers' efforts to negotiate staff for these special programs.

The government seems to be speaking in terms of moral principles, but acting according to the principles of power politics and expediency. We will include more details about the staffing problems in our final brief to the committee. Bill 82 should not be perceived as a political stunt to gain the popularity of voters.

The injustices and the inequities produced by Bill 179 are amplified in teachers' minds when they realize the bill is not part of an overall plan of economic policy and that it is aimed at the removal of their civil rights. Premier Davis has claimed that Bill 179 is only part of a series of measures necessary "to achieve real and sustained economic growth."

4:50 p.m.

We have yet to see such measures. Wages are controlled but prices are monitored. It is abundantly clear that the government has felt the need to show itself to be in charge and to do something. To help create this perception, teachers and other public servants are being blamed and punished for the economic recession. Teachers know that their wage gains have fallen short of wage gains in the private sector. To reiterate the Auld report, school board settlements in Ontario lag behind those in the rest of Canada, and in every quarter since 1978 the rate of increase in their salaries has fallen below the rate of inflation.

Thus, long-term effects on education in Metro will include serious deterioration of the teachers' sense of commitment to their profession. Teachers have been singled out for unjust treatment, which has no valid social or economic basis. Also, there is the implication that teachers are incapable of bargaining in good faith and recognising and respecting economic realities.

It has always been Ontario Secondary Schools Teachers' Federation policy to encourage teachers' participation in education above and beyond the classroom. Bill 179 seems to be based on the assumption that teachers are irresponsible, unprofessional and greedy. This accusation will not help the education system.

Anthropologists tell us that societies at a more rudimentary stage of development than that we thought was present in Ontario had customs to appease the gods and change the course of their destiny. In fact, the use of a goat in primitive societies gave rise to the concept of using a scapegoat to blame for various calamitous events. We urge you not to repeat this misguided custom and to withdraw the bill.

The alienation and resentment which result from this pernicious, unjust and misguided piece of legislation and the long-term negative effects it will have on our education system must surely convince you to do everything in your power to defeat it.

Mr. Chairman: Thank you for a very clear speech.

Mr. Epp: Mr. Clarke, I need a few clarifications.

On page 4 you are speaking about how much teachers are going to lose in one county as opposed to another jurisdiction. Can you tell me what they would be getting if they were in category 4 with four years of university plus their teacher training? Let's say the maximum in their incremental basis, when we are talking about where most teachers would be these days.

Mr. Clarke: To attain maximum requires 10 years' teaching experience plus the five years of professional training. In Toronto I think it is slightly over \$36,000 a year. I am not sure about Peel and York. I would have to work backwards from those figures. That is the 1981-82 schedule. Our district is unsettled to date.

Mr. Epp: What is the general range of those categories these days?

Mr. Clarke: Minimum category 1 is a three-year degree with one year of teacher training, but with a degree that has no specific areas of specialization. Minimum category 1 is \$17,000 and maximum category 4 is \$36,700.

Mr. Epp: At the top of page 5 you are talking about it taking 24 years in order to rectify this injustice. How do you calculate that?

Mr. Clarke: That was not the point.

Mr. Epp: Assuming a teacher retirement age of 58 and according to the latest mortality statistics, how do you arrive at 24 years?

Mr. Clarke: Pension payments are based on the average of your last five years of teaching. If in your last year of teaching, instead of getting a 10 per cent raise or a raise that has been negotiated, you get a five per cent raise imposed upon you, then relative to what you would have got without the bill you aggregate a large amount over 10 years.

The 24 years referred to means that people who retire at age 58 are supposed to live another 24 years, so they will be paying for the effects of the five per cent as long as they receive a pension, which is on the average 24 years.

Mr. Epp: You are opposed to Bill 179. I gather from your brief that you are particularly opposed to it because it singles out the public service employees and extends it down to school boards and municipal employees and so forth.

Mr. Clarke: Not only that, it is not part of an overall plan.

Mr. Epp: If this were part of an overall wage and price control plan, with prices being as controlled or restrained as wages, would you then have the same kind of difficulty in supporting it? As I gather, you are being singled out, and I have problems with that too, but if this were of a total plan, would you--

Mr. Clarke: If it was part of an overall economic policy which would contain policies with regard to interest rates, money supply, credit, profit margin, dividends, natural resources control, energy control, prices, wages, yes, I would have a lot of difficulty opposing it.

Mr. Epp: Something in all truth I think we have recommended.

Mr. Clarke: My colleague, President Gannet from district 12, has a further comment.

Mr. Gannet: I would just like to respond that really we don't have any faith whatsoever that this government or the federal government would ever conceive of such a plan which would be fair to everyone and which would have the commitment of the nation.

To answer your question, if the governments of this country, provincial or federal, would have the trust of the people, then this bill would not at all be necessary. I do not think David meant to suggest that the Liberal platform is what--

Mr. Epp: No, I was not trying to get him to endorse it publicly. If he wanted to do it privately, we would not object, but I am quite sure that he wouldn't want to do it here in front of his colleagues.

What steps can be taken in this bill to improve it?

Mr. Clarke: Withdrawal.

Mr. Epp: Withdrawal. Well, you are not leaving us much leeway are you?

Mr. Clarke: As I said, we cannot support it because it is not part of an overall policy; therefore it should be withdrawn.

Mr. Riddell: Just as a supplementary--

Mr. Chairman: No. We did establish yesterday we were not going to go to supplementaries because of the time constraint. Are you through, Mr. Epp?

Mr. Epp: Yes.

Mr. Chairman: Good. Mr. Cooke and then Mr. Riddell.

Mr. Cooke: I have just one question. You mentioned Bill 82. The teachers I have talked to in my home town, besides objecting to all of the other rather negative aspects of the bill and the abrogation of free collective bargaining, and so forth, did mention Bill 82 as well.

I wonder if you could expand on the two aspects, as I see it, of how this policy will affect the implementation of Bill 82. One is the negotiations for staffing, and also the big question mark is transfer payments and whether they will be the kinds of supports to implement Bill 82 adequately.

Mr. Clarke: As you are aware, the funding for Bill 82 is still rather fuzzy in some respects. The number of teachers required just in the city of Toronto by 1985 is of the order of 157. This is going to create a problem because even now the number of teachers who are being used in special education is far and above the number of teachers who should be allocated, according to the formula. In other words, we are using special education teachers from other areas and other programs.

5 p.m.

To extrapolate for the next two years, if we are quite unable to negotiate collectively with our board--and we are not because the board has to follow certain guidelines--the nine and five is going to end up being a board's agreement rather than one to which both sides are committed. Given that, I cannot honestly see how the legal obligations of the Toronto board, and I assume of the other boards in Metro, can be met because we will be unable to negotiate with the board. When you read Bill 179, you find out that the board is not obligated to discuss these areas with its teachers, so Bill 82 in some respects may not be worth the paper it is written on.

Mr. Chairman: President Miller from district 14.

Ms. Miller: I think it is important for the members of the committee to understand that Bill 179 is not the only bill that faces the secondary school teachers at the moment, and particularly in Metropolitan Toronto. I must say for the record that the persons with whom we negotiate in Metro have operated as though Bill 179 and the preceeding bill, Bill 127, were already in practice.

My board is a small board, and perhaps those of you who are from outside Metro could have some more understanding. I represent 500 teachers in Metro; we are one of the smallest boards here in Metro. Basically what we are facing with 179 and 127 is simply no additional staffing for Bill 82, to answer the gentleman's question.

We are under severe restraint. Our board has not seen fit to take any action. In fact, all the boards have behaved as though these bills were already law. We face the fact that they can engage in some rather interesting contract stripping when they are

restricted to nine and five which we must negotiate, with of course no powers to do anything because we are denied the right to sanction or the right to arbitration.

So I would put it to you, what do we fight with in order to get the staffing we feel we need? We have nothing in our arsenal to use with our employers to try to get them to move on this and, of course, they feel they are obliged to respond to the restraints, which means no additional staffing. In the Bill 82 report from my board, which has approximately 7,400 secondary school students, approximately 800 are not being served because they cannot be dealt with. That is 800 of a variety of different kinds of things at both ends of the spectrum, both exceptional in the terms of gifted and exceptional at the other end.

Bill 82, as David has said, is virtually nonexistent in my board, other than a philosophical commitment, which I am sure you will all agree is quite sound, but in terms of putting their money where their mouth is they cannot do anything about it. We have no impetus in the negotiations field to make them move because this Bill 179 removes any weapons that we can use.

Mr. Riddell: I want to get back to your response to my colleague. If you believe that the government, which is practising majority rule, is going to withdraw this bill, then you believe in tooth fairies. Knowing that they are not going to withdraw the bill, then the only alternative we have is to try to amend the bill to make it more equitable.

I am a former teacher. I have a lot of respect for teachers, and I know that teachers will face reality. So let us face reality. We are not going to have this bill withdrawn. As I say, there is a majority government and it is going to railroad it through, and so we have it in committee to get suggestions from you people as to how we can amend the bill to make it more equitable and fair, hoping that the government will listen to us. I don't want to hear you simply say to my colleagues, "Withdraw the bill." It just ain't going to happen.

Mr. Mackenzie: You can tell who is between the rock and the hard place.

Mr. Clarke: In other words, it is like being told: "You are going to be executed. Which would you rather have, the rope or the electric chair?" With respect, I do not think I should be forced to answer that question. I would rather say I do not want to be executed.

As far as realities go, yes, we really are upset by the bill, for the reasons in the brief. It is discriminatory, it is misguided, it will not work. Therefore it should be withdrawn. Maybe the government will pass it through, but for my organization to acquiesce in any way would be quite unacceptable. Because the bill is aimed at us and at other public servants, we have to express our opposition at all points.

Mr. Epp: How about giving a good example to your students and facing reality?

Mr. Clarke: Well, okay.

Mr. Riddell: This leaves us in a dilemma. If you people are not prepared to suggest how we can amend it, then I do not know how we are expected to amend the blasted thing. Let us drop that for now.

One question my councillors back home are asking me, and others who are very concerned about it, is what effect does this bill have on the grids. I wonder if you could go through the scenario so that I could report back to them, because I am sure they are going to be discussing it at their council meetings.

Mr. Clarke: The grids; I am not sure where you are going with your inquiry but it would seem to me that the grids would be increased by up to nine per cent. The bill, in the case of Metropolitan Toronto, enables us to negotiate. But we have no power to negotiate.

If a board was very nice it would say, "Yes, you can have your nine per cent." There is no evidence of that; the board is still offering us 6.5 per cent for the next year.

I am reluctant to get into a discussion of negotiations, because it is not the issue. If the bill passes as is, the teachers in Metropolitan Toronto would be eligible for a nine per cent raise in the first year and they would receive a five per cent raise in the second year. Does that answer your question?

Mr. Riddell: Well, I thought I understood the grid at one time, but I am not too sure that I do now. I am not too sure that that is really answering the question that was put to me. I was simply asked by some of the councillors back in good old rural Ontario how Bill 179 would affect the grid system.

Mr. Clarke: If you were minimum, you would get \$17,000 plus nine per cent for the first year, and an additional five per cent on top of that for the second year, and if you were at the other end of the grid, the \$36,000 end, you would be eligible for nine per cent in the first year, and the additional five per cent in the second year.

The effects on the education system back in your own constituency are far more serious when teachers realize they are being discriminated against and are being used as scapegoats. This is a provincial piece of legislation and it is going to have long-term and broad effects.

Mr. Chairman: Perhaps President Miller has something to add to Mr. Riddell's question.

Ms. Miller: Mr. Riddell, one of the things I think the Ontario Secondary School Teachers' Federation can point to with pride is the fact that we have had a grid system that gives us equal pay for work of equal qualifications. If Mr. Clarke and I have the same qualifications, we would be earning the same wage.

What this bill does is that if Mr. Clarke is in group 4 and

I am unfortunate enough to have finished my qualifications to move into group 4 this previous summer, and were to apply to my board for that group change, based on my qualifications and the work I have done--a post-graduate student, whatever--it would be denied to me. That is what it does to the grid system.

Mr. Riddell: Just in regard to Mr. Cooke's interjection, yes, I supported the bill on second reading. I voted against the sales tax bill, and I found out what the hell happened there. So the next best alternative is to get this bill into committee with the hopes of making some amendments, of making it equitable and fair. But you people are telling me that is impossible. You can see the dilemma we face.

Mr. Cooke: We saw how many amendments were accepted on the sales tax bill too.

Mr. Riddell: That is right. We voted against the sales tax bill but they used the majority to railroad it through.

Mr. Mackenzie: I have a couple of questions: in dealing with the very question of amendments, I take it your position is that the bill should be withdrawn.

Mr. Clarke: Unless it is accompanied by other economic measures, which, let us face it, it is not.

Mr. Mackenzie: Let me tell you, we had proof today in another committee of exactly what you are likely to get in the way of amendments. You will get exactly what the Tories want to give us, and they have already pretty well decided.

Honourable Bette Stephenson moved a specific amendment to Bill 127 today, amending certain sections of the bill. Section 5 of the amendment that she moved in the bill today is "Subsections 1 to 4 are subjected to the Inflation Restraint Act, 1982."

5:10 p.m.

So they already knew what the hell they were doing in amending the other bill and how far they were going to go on this bill, in that amendment moved in that other committee today. I think that what is happening in this House should be very clear to people.

I just have one other question and I am forced to raise it. That is simply, as teachers, with this bill that is before you today, three things were said in introducing the bill very clearly, right at the level of the Premier (Mr. Davis).

One, that one of the reasons for it is that public servants have security. That is rapidly becoming questionable, even though they have not reached the level of unemployment that we have in the private sector.

Two, that it is a one-year program, and the minute you get into it you clearly find out that it is a one-to-three year program, not a one-year program.

Three, that you can negotiate nonmonetary items, which was either misinformation to the Premier or a deliberate lie, because you cannot. You have no power at all. What would your reaction be to the students that you are teaching if you were presented a bill as something vital to the province as dealing with inflation that was based also on three absolute falsehoods?

Mr. Clarke: The argument does smack of sophistry. The job security aspect of course is quite fallacious. Enrolment is going down, as I point out in my brief, and as the Etobicoke teacher submitted yesterday, the job security argument for teachers is just a myth. The one-year aspect, too--

Mr. Mackenzie: Also was not the truth.

Mr. Clarke: That is easy for you to say, but the one-year program too, does smack of sophistry because there is a clause in the bill that prevents catch-ups. So if you were in the position of the teacher to which President Miller alluded, you are going to be denied the results of five years of night courses and summer courses because you chose to take your last summer course next summer, and, tough, you can get into category 4, but you do not get the increase you have been working towards.

There is a clause that prevents catch-up. I do not know how long that clause is going to be in effect. Maybe they are going to engrave it in stone somewhere, but with a clause like that it is certainly not a one-year program. The nonmonetary issue too is peculiar, because the bill clearly states that nonmonetary items can be negotiated by mutual consent.

Mutual consent means both, so we say to our boards, may we negotiate staffing please? The boards can say no and that is the end of it. No negotiation is possible. Currently under Bill 100 there is the regulation that boards must negotiate and there is a set of rules under which they must abide.

Mr. Chairman: I think there is also another response.

Mr. Gannet: I think in our brief we are very conservative in terms of numbers of decline and I would like to give you this year's statistics for Etobicoke. I understand that you heard from my elementary colleague last night, and the steep decline in enrolment is now just beginning to hit the secondary schools.

We have had a decrease in student enrolment from last September to this September of approximately five per cent, which has reduced our number of teaching positions by 53 out of approximately 1,050. Due to attrition, we did not lose 53 teachers, but 41 teachers were fired last June in Etobicoke.

As far as our board can project, this is going to go on for the foreseeable future, so I was disturbed when I sat in the House the first day and heard security, security, security. It really is rather misleading. We are very definitely on a two-year control period.

Mr. Mackenzie: I admire your brief and the restraint with which you dealt with what really is a series of untruths we have been given.

Mr. Renwick: I only have two brief inquiries about it. What were the circumstances which led the public schools trustees to have Professor Auld analyse this problem? What led to that retainer.

Mr. Clarke: I can only suggest that perhaps they were also under the misguided perception that teachers were leading the inflationary-raise brigade and that they requested a qualified and respected person to present statistics about the subject. Unfortunately, the paper proved the opposite, that teachers and educational settlements generally were lagging behind the rest of Canada, and they are lagging behind the private sector.

The premise in the bill that once you lower public sector wages, the private sector's will readily follow, is therefore completely false. We have been behind private sector increases and they have not said, "Oh, the public people are getting less than us; we should show restraint." That has not happened. So to say that restraining the public sector further will pull back the private sector is totally unsound.

Mr. Renwick: This is the first time I have heard of this statement by Mr. Philip Smith, director of the fiscal policy division in the federal government Department of Finance. Does that come out of some kind of report or statement? I was not aware of it.

Mr. Clarke: Yes. It was in The Globe and Mail Report on Business section, June 1, 1982. The name of the reporter was Ronald Anderson and he quoted that federal government official in the article.

Mr. J. M. Johnson: I am concerned about the comments that were made about job security in the public and the private sector. Every group seems to have a different opinion as to what job security is. You people have a good grasp of figures for your basic presumptions made in your presentations.

I wonder if you could today, or at some time in the future, show me with figures the job loss in the public sector and the private sector in the last two years. We have heard all kinds of figures thrown around; you mention the layoff of 41 teachers. It is hard to accept any layoffs, but I think layoffs are much higher in the private sector. I may be wrong. I would like your figures on what you perceive the problem to be.

Mr. Clarke: I will attempt to get such figures. We are here representing the teachers of Metro Toronto, that is all I can promise you. I can call my head office and see if we can--

Mr. J. M. Johnson: Perhaps it is not a fair question, and if it presents any problem do not worry about it. I am concerned about the comments made about job security and the two different sectors.

In the riding I come from there is very little security for the small business people, the farmers. They take their chances and they have no nine per cent or five per cent guaranteed. They have no guarantee of any job security. Maybe I am mistaken, but I just felt personally that they face a tougher problem today than many of the other sectors.

Mr. Clarke: And do they believe, with respect, that lowering my salary--

Mr. J. M. Johnson: Not lowering it, holding it to a five per cent increase.

Mr. Clarke: Do they believe that that will help them in their small businesses?

Mr. J. M. Johnson: Since they have to pay taxes, yes.

Mr. Clarke: With respect, I suggest that interest rates--

Mr. Cooke: Are you going to lower their taxes, Jack?

Mr. J. M. Johnson: No, I am simply saying that when business people are going bankrupt and farmers cannot make a go of it, to increase their taxes to pay another group is not helping them. If it is, I fail to understand how. I think that most of the farmers in my riding and most of the small business people would be really happy to get a five per cent increase this year.

Mr. Mackenzie: So would Sudbury workers and some others who are not working at all. Are you going to spread the poverty, Jack, with this legislation?

5:20 p.m.

Mr. Chairman: That being all the questions, may I make one comment? I think President Miller might have made a rather sweeping assumption that all aspects of Bill 82 have universal approval.

Ms. Miller: I am sorry, I do not understand.

Mr. Chairman: You said, "Of course, we would all agree with that"--that Bill 82 was a--

Mr. Cooke: Are you dissociating yourself from Bill 82?

Mr. Chairman: No, not at all; I am saying there are certain aspects of Bill 82 which I do not find universally appealing.

Ms. Miller: I was speaking of the sociological and educational validity of the bill. I assumed people would agree with that.

Mr. Chairman: You made that assumption?

Ms. Miller: Yes. My mistake.

Mr. Chairman: Right. Thank you very much for your presentation.

Mr. Cooke: There are some of us who might agree it did not go far enough. Is that what you are saying?

Mr. Chairman: I am not saying that at all, Mr. Cooke.

May we now deal with the next group from Grey county? The exhibit is going around to the members of the committee, exhibit 14. Gordon Jones and Dianne Lessels, and the other gentleman there, would you please identify yourselves?

Mr. G. Jones: Thank you, Mr. Chairman, I will do that. I am Gordon Jones and I occupy the position of chairman of the Grey County Board of Education, which, by the way, is a rural agricultural area.

Mr. Riddell: Next to Huron-Middlesex, one of the best.

Mr. G. Jones: Accompanying me is Mrs. Dianne Lessels, our vice-chairperson and also chairperson of our finance committee. Alongside Mrs. Lessels is our business administrator, Mr. Brian Cain.

First, if I may, I offer our sincere appreciation for the change in the agenda and would ask you to extend that appreciation to the groups preceding us. Thank you for allowing us to have our delegation meet with you this afternoon on this vital topic.

As school trustees, we are primarily concerned with providing quality educational services to our young people. In this regard, we have followed provincial initiatives and we have in place in our schools fine programs, including many which are optional to school boards in this province, such as kindergarten, French as a second language, French immersion, instrumental music, instruction in the use of computers and in many technical and vocational areas.

We want to keep these programs in place as we believe they are essential to assist our young people to develop skills for living in cultural awareness so they may become contributing members and leaders of our society. Indeed, we are entrusted both by the province and our local electorate to provide quality education.

As school trustees, we are elected directly by property ratepayers who look to us to minimize cost increases for school purposes and, in particular, to control the impact of school costs on the local taxes. Our budget development process each year requires us to do detailed study of all program areas to ensure that this happens to the best of our ability.

I might interject I was at a ratepayers' meeting Monday evening last for our nominations for the upcoming election. Part of my platform that evening was not to vandalize our budget for the sole purpose of financial restraint. I hope to be able to live up to that.

At the school board level, an ever-present problem is the need to respond to provincial directions, which also require us to expand and improve programs and services, and to provide more individual attention to pupils--for example, revised curriculum guidelines, degrees required for all elementary teachers, early identification program, mandatory special education, to mention but a few.

Provincial grants do not offset entirely these added costs and the result is increased local levies. While our task is balancing quality and costs, it is a difficult one. We respect the fact that your role, as elected representatives, also is an onerous one.

I want to make it clear to you that we support the Inflation Restraint Act. As a further sideline, we have also implemented the federal guidelines within our own board, in administrative staff salaries and our own honorariums, prior to September 21. However, we have heard many conflicting interpretations as to how the act will be implemented.

As some of these interpretations have given us considerable concern, we are appearing before you today and we hope that some amendments will be satisfactory to you. We wish to bring these to your attention in the hope that the regulations which will be put in place to support the act will in fact support our first concern, which is to be able to continue to provide quality programs to our pupils at affordable local cost to our ratepayers.

Our second concern is that the nine and five per cent ceilings as outlined in Bill 179 apparently may not include the costs of increments nor other features traditionally used in determining school board collective agreement costs, such as decreases in pupil-teacher ratio. As a further aside, our own board implemented long before Bill 82 a staffing program to meet special education and other programs. Again, we hope to live up to that plan. From what we have gleaned to date, the nine and five, if applied only to the rates, could result in total compensation costs considerably above these levels.

The costs of increments vary from board to board, but typically range in the two per cent area. The costs of providing added needed staff for such as special education can also be considerable. As an example of this, over the next several years, based on our program which is in place, we may well have to provide some 40 additional professional staff to meet the provincial mandate in special education only, not including any which could be needed to improve other programs.

It is the total cost of the collective agreement which impacts on school board finances and local taxes, and not simply wage rates, so the approach to controls needs to consider total compensation costs.

A third concern is that if the nine and five per cent, which are highlighted in Bill 179, are also used by the government to be the restraint rule for school board grants--that is, that grant rate increases become a maximum of nine and five--and if the total

compensation costs are allowed by the regulations under the act to be above these rates, then the increase to the local taxpayers will far exceed these levels. A further aside: not considering educational requirements, I put to you, will the electorate stand for tax increases above the restraints?

If this happens, we would be faced with only two alternatives, to raise the taxes or cut school programs, as we cannot reduce the length of the school year by the act itself. If we go the first route and allow the mill rate to escalate beyond the increases suggested by Bill 179, then the restraint program will be seen to be that of the province only, and the local school board will be accused of exercising no restraint.

It is important that the regulations recognize the total concept so trustees have some flexibility in exercising the same program of restraint on local rates.

If we go the second route and cut school programs we will deny opportunity to our youth to grow as they have a right to grow. Neither course is acceptable to us.

Our third concern is that the actual total cost of collective agreements, as permitted by Bill 179 and its regulations, be recognized in provincial grants and not the highly visible but possibly highly inappropriate nine and five per cent numbers.

Finally, I would like to reiterate my earlier comment: we support Bill 179. We respectfully request that when you and your colleagues in the House draft the regulations for Bill 179 and the regulations for school board grants, you give consideration to our concerns.

5:30 p.m.

Mr. J. M. Johnson: Mr. Jones, I compliment you on your brief. Coming from Mount Forest, which is fairly close to Grey, I think that my county shares concerns similar to those you people have expressed.

I happen to have had the occasion to sit in the committee which dealt with Bill 82 and at the time I had some problems with it. As I was on a local school board for 10 years, I could foresee some of the problems we will be facing in a very short time.

Since the three parties in this Legislature were responsible for drafting that bill, and in a minority position, I can say quite strongly that we share the responsibility for the bill and--

Mr. Foulds: The government drafted it, Jack.

Mr. J. M. Johnson: All right. Fair enough. But anyway, you can look at Hansard to see where some of the problems have come from.

In my opinion, I feel that we do have a responsibility to assist the boards in providing the teaching and whatever

professional help is needed to accommodate legislation drafted in Bill 82, it is going to be hard to live with and to come up with expectations that people will be looking for. I certainly hope we can do that and I hope it can be addressed in this legislation which we have before us.

Mr. G. Jones: Thank you, sir. I am not suggesting in any way that we are trying to avoid the challenge. We are looking forward to it.

Mr. Cooke: I gather from your presentation you are concerned that this bill may be a little too easy on the public sector.

Mr. G. Jones: Not in any way.

Mr. Cooke: You were suggesting that the regulations should be such that the nine and five per cent must include all increased expenses in terms of a contract.

Mr. G. Jones: That is correct.

Mr. Cooke: And you want the regulations worded that way. That is not the way that I understand the act was designed and therefore what you are suggesting is that the regulations should be a little bit tougher than what were originally envisioned.

Mr. G. Jones: Yes.

Mr. Cooke: So, what I said originally is correct. Then you must be saying that the wages in the public sector, and specifically the school boards--I used to be a trustee on a school board, as well. You are concerned that the wages, for your board or for the educational system across the province, have been increasing much too rapidly in the last few years.

Mr. G. Jones: In Grey county we have always maintained a mid range and we have excellent rapport with our teacher groups. We are at the present time in negotiation with one of our groups, but we still maintain a good rapport.

To answer your question, salaries are equivalent. I do not think that we are trying to say they are highly overpaid or anything of that nature. We like to think that we treat our teachers in Grey county as Grey county teachers and we try to avoid making comparisons with the provincial standards.

Mr. Cooke: I guess I am confused then. If the teachers and employees of school boards have not been overpaid and the settlements have not been out of line--and I am sure you are familiar with the Auld report.

Mr. G. Jones: Yes.

Mr. Cooke: I will quote some sections from it or from the summary, in any case, that we will be providing you with shortly. But if you are saying the increases have not been out of line and the teachers and other employees of school boards are not

overpaid, why would we then want to bring in a wage control bill that limits their wage increases?

Mr. G. Jones: For the sake of the country.

Mr. Cooke: Maybe I am wrong, but I thought wage control bills were brought in because wages were running much ahead of inflation and that they were out of control. I thought that is why controls were brought in, but you are saying that is not the case.

Mr. G. Jones: In my opinion.

Mr. Cooke: Trustees have acted responsibly, you are saying, they have kept wages in line and the federations have acted responsibly.

Mr. G. Jones: In my opinion, in Grey that is the way it is.

Mr. Cooke: And this is how we reward them, with Bill 179.

Mr. G. Jones: Mrs. Lessels would like to respond.

Mrs. Lessels: Thank you, Mr. Chairman. What I want to reiterate is that our concern is if this package is nine per cent, all the costs which school boards are involved with within agreements be considered within the nine per cent ceiling. Our main concern for that is--as we have said, we support the restraint program because we believe in it for the sake of the country, but also we are very concerned that we want to be able to pass the same restraint to our taxpayers.

The other side of that--

Mr. Cooke: By how much did your mill rate go up last year?

Mrs. Lessels: Over 13 per cent and we had what I called a barebones budget.

Mr. Cooke: By how much did your grants go up? By what percentage did your provincial transfer payments go up?

Mrs. Lessels: They went down, Mr. Chairman.

Mr. Cooke: They went down. So your provincial grants went down and your mill rate went up 13 per cent.

The system is fair in terms of transfers. Your transfer should have gone down; I guess you support that. The answer to cope with the mill rate increase is not to say that the transfer payments should be improved, the answer is that we should hold down teachers' salaries.

Mrs. Lessels: What I am saying is I suppose one is speculating that if the provincial government is coming out with a nine and five restraint program, we as trustees are extremely concerned and are doing a study of what it will do to us if the

grants come out at a low rate and yet the nine per cent is not a true nine per cent cost to us.

Mr. Cooke: I will tell you, if I was still in the school board and the provincial transfers to my school board were decreased, I would not be in front of this committee suggesting that my teachers, my caretakers, other staff and my board should have their wages controlled. I would be saying, "It is not a very fair taxation system when the progressive taxes, which are collected by this government, are not transferred in their fair share to my school board and therefore my taxpayers have to pay a 13 per cent increase in their mill rate." That is what I would be saying.

Mrs. Lessels: I did not think this was under this particular bill, Mr. Chairman.

Mr. Cooke: It all has to do with the restraint program and it all has to do with why your mill rate went up 13 per cent last year.

Mr. Elston: I never heard them say they were happy with their transfer payments being cut.

Mr. Cooke: But they are saying the way they are going to cope with that is to control the wages of their employees rather than institute a fair taxation system within this province where transfers are more in line with need.

Mr. Epp: Mr. Chairman, they were trying to make the point that their increases in transfer payments were not equivalent with their increase in expenditures. I do not think they meant to say that their actual grants from the province were decreased from what they had received the previous year.

Mr. Foulds: I wanted to just explore this train of thought for a moment. What I gather is that really you would like your transfer payments increased in order to--is that correct?

Mrs. Lessels: It would help a great deal.

Mr. Foulds: You want them increased to meet the wage increases and other expenditure increases that the board needs.

You have a second concern, it seems to me, and that is some of the new programs, such as mandatory special education, are going to result in an expansion of staff and you will not have any room at all to manoeuvre in that area. Do I understand you correctly there?

Mr. G. Jones: That is basically the problem, yes.

Mr. Foulds: So that what you are afraid of--or one of your concerns--is that the bill in its current form not only restricts the wages of your present staff, but it restricts any expansion of staff for necessary programs.

Mr. G. Jones: That is correct.

Mrs. Lessels: Mr. Chairman, I am wondering if I could give you an example.

Mr. Foulds: Sure.

Mrs. Lessels: In last year's budget, we had an initial budget which meant an increase of 20 per cent to the ratepayer. Obviously the trustees would not go along with it. Part of that budget was the recommendation by our special education committee who had to hand in a report to the provincial government to hire 10 of the anticipated 40 additional staff we would need. We looked at that, along with all the other requests, and we had to cut that from 10 to five. We also had to cut virtually--

Mr. G. Jones: Postpone.

Mrs. Lessels: Well, postpone, maybe cut.

Mr. Foulds: Maybe cut, yet.

5:40 p.m.

Mrs. Lessels: We also had a maintenance program in there in which we virtually had to handle just emergency repairs only and we have \$81-million worth of property.

Mr. Foulds: Yes, eventually that will catch up with you.

Mrs. Lessels: Oh, yes.

Mr. Foulds: I happen, for personal reasons, to have a special interest in both special education and French immersion so I congratulate you for having those programs and fighting for those.

The other point I just wanted to make, Mr. Chairman, is you should understand that regulations, in the last paragraph of your brief, are not devised by the Legislature. Once the bill is passed, the regulations are made by the cabinet and basically by the ministry responsible and they are approved by cabinet and published. Once the actual legislation is passed, we have no say over it, as legislators.

Mr. Renwick: I ask these questions with a great deal of diffidence because I have stayed at considerable distance from the financing problems of school boards.

If Bill 179 had not been introduced at all, you would be with the same problem, would you not? You have either to get increased provincial grants, or raise taxes, or cut school programs.

Mr. G. Jones: In actual fact, I do not think we would have been in a worse position.

Mr. Renwick: No. I was not asking you whether you would be in a worse position, but you would be in a serious position, the same position. Your options are always the same--cut programs,

raise taxes or get more money from the provincial government. Is that fair?

Mr. G. Jones: Partially because we are in the process of negotiations, I cannot give you full details. But I can assure you that our concerns are legitimate in the situation we are in right now.

Mr. Renwick: I do not think you have answered my question. However, I will pass--

Mr. Chairman: Mr. Cain wishes to respond to that.

Mr. Renwick: Oh, sorry.

Mr. Cain: Mr. Chairman, maybe if I could reply. There are two facets that the bill has introduced to compound the problem. One of our recommendations that (inaudible), since it is the issue you are dealing with, is if not through the regulations, as suggested, we have used the word "regulation," maybe within the bill itself--the comment that nine and five represent a total compensation package, not salaries--

Mr. Renwick: I understand that.

Mr. Cain: We say that to be fair and equitable, because within our board we deal with four or five collective agreements which are all very different. We deal with two teacher federations that we negotiate contracts with. They have a degree of similarity, but there are a number of facets to those contracts that are not the same, be they pupil-teacher ratios which affect a number of teachers and is a very high cost factor to the board of education, to fringe benefits, which are a very high cost component of the package.

When we deal with the Canadian Union of Public Employees for our custodians and our maintenance staff, there is no staffing formula within that contract that they negotiate. It happens to be in-board policy stuff. We deal with the Ontario Public Service Employees Union for our secretarial-clerical staff which, again, is a very different type of package.

If this bill goes through allowing changes to be made to rates only being governed by nine and five per cent, they will leave a very different fringe package and options open to each of those federations or unions that are very different but all very much carry a heavy cost component to the board, be they working conditions for pupil-teacher ratios, fringe benefits, whatever.

Therefore our position, to be fair and equitable to all the groups we are dealing with, the only appropriate mechanism for that bill, is to treat all cost-applicable items negotiated under the contracts, recognizing that they are all very different.

The second factor that this bill would do in terms of our board, publicly and politically, it will highly emphasize nine and five per cent--and we state that in our brief. This will become

the number that everyone will remember; it will be the number that is in the press.

Our brief emphasizes that if nine per cent is what happens to the wages only and other factors--numbers of teachers, fringe benefits or whatever those other factors are that could be excluded from that--we may well be settling contracts for 12 to 14 per cent, or whatever it is. That will become a very different cost factor in the mill rate than the nine and five per cent. Politically, how can our trustees go out to the ratepayers with those kinds of increases?

We are asking you to make it a total compensation package within nine and five. If the way to do it is through the act, maybe that is the best way to see it--all cost factors part of that guideline.

Mr. Renwick: You certainly emphasized my diffidence about it. I think I understand what you are saying. They define compensation very broadly in the act, so far as I can tell. They have also reserved regulatory power to make it even broader. So it is going to cover all of anything that can be termed a financial benefit to any particular employee.

How many collective agreements do you have?

Mr. Cain: Five.

Mr. Renwick: What is the state of them? How many are in negotiations now and how many are in effect?

Mr. Cain: Three are in effect, one is under negotiation right now, and one would be open for negotiation when the current agreement ends December 31. .

Mr. Renwick: Have you worked out an estimate of the number of dollars your board will save by restricting the salaries of employees of your board?

Mrs. Lessels: Our board is doing an analysis of what we anticipate the grants might be. We cannot analyse any saving until we know what the grants are.

Mr. Renwick: I was just asking if you have made any estimate of what the reduction of your payroll would be because of this bill. In other words, how many dollars is your board saving because you are reducing the wages of public sector employees in the employee of your board.

Mr. Cain: Without divulging what is happening at the current round of negotiations at the table, which we are very leery to do, we are not looking at a savings in Bill 179. One of our concerns with asking you to look at a total compensation package within your guidelines, is that we may see the opposite potential under this piece of legislation.

Mr. Renwick: I guess I am having trouble. Excuse the language, but are you under the illusion that the provincial government is going to carry the nine and five program through to its provincial grants program?

Mr. Cain: That possibility has crossed our minds. There have been some news releases--how factual they are we do not know--talking in terms of six and five per cent increases in transfer payments to municipalities and school boards.

Mr. Renwick: I am very curious about your other statement, that the increases which the members of the public service in your employ would have received this year, next year and the year after are not going to be affected by this bill. Is that what you are saying?

Mr. Cain: I think they very definitely will be affected, whichever way the bill goes. My only comment was that you were asking what Bill 179 would be saving our board. We are viewing it in terms of the possibility that it may cost our board.

Mr. Renwick: Will the wages of the public sector employees in the employ of your board be reduced because of this bill?

Mr. Cain: I cannot answer that, again, because we are in negotiations. I have emphasized that contracts have a very different component from one contract to the other, from one union to another, from one federation to another. If a particular thrust by a union or federation is something other than their grid, be it a lower pupil-teacher ratio, that very definitely has a high cost to a board of education if we have to add staff. If this collective agreement eliminates that cost from the nine per cent--

Mr. Cooke: The nine per cent is a zero to nine per cent--

Mr. Cain: It depends on what is excluded and included within the nine per cent.

The other very definite fear that our board has is that this act would exclude the right to strike, and therefore would impinge upon the process, as we have known it now, for two parties to mutually agree on a contract.

5:50 p.m.

Under this act, I am not sure who the arbitrator will be. Who will decide what is in and out of nine or five per cent? Who will decide if the two parties go to that board and try to resolve their problems? Therefore, our concern is that if you do not include all of the costs that a board incurs when it negotiates a memorandum of agreement, or a collective agreement, they could be very different than nine and five per cent.

This bill has been introduced in a process that has been under way with our board for several months. Several facets have been agreed to; some have been implemented. It is very difficult to alter the priorities that were set at that table now.

Mr. Renwick: I do not pretend to have absorbed all of the expertise you have put in front of me. My last question is related to this analysis by Professor Auld that was apparently presented to the annual meeting of the Ontario Public School Trustees Association on June 5, 1982. Could you tell us a little bit about the origin of that, why it was commissioned, what was the tender, and why he was retained to do this?

Mrs. Lessels: I think that question should be asked of the OPSTA. I and Mr. Jones are not direct representatives for that association. I do not feel qualified to answer that question.

Mr. Renwick: All right. Thank you.

Mr. Watson: In the Grey County Board of Education, what percentage of your revenue expenditures do you get from the local taxpayers?

Mrs. Lessels: From the local taxpayer?

Mr. Watson: Yes.

Mrs. Lessels: About 45 per cent of our budget.

Mr. Watson: Do you think the local taxpayers perceive this is going to save them money, or have any of them made representations to you that there is an election coming up for school board?

We have had presentations by several other groups, including a representative from the one prior to you who said he could not understand how this saved anyone any money. I am wondering whether the people who are your voters have that same impression as to whether or not it is going to save anyone any money.

Mr. G. Jones: I shall try to answer that from the viewpoint of a trustee who has been on the board for six years. All of the new candidates are hollering, "Restraint, restraint." Those of us who have experience with what goes on in the schools are concerned about program and how we are going to meet those needs, and not, as I mentioned earlier, vandalizing the budget for the sake of dollars. I do not know whether that answers your question entirely. The concern out in the public is money.

Mr. Watson: The question to ask is not so clear in my mind now. Your explanation about how other factors muddy the waters and could cost you money--I appreciate how that could happen in terms of settlements other than salaries, but you are looking at it in terms of the programs that you feel should not be sabotaged or whatever word you want to use there.

Mr. G. Jones: We are also currently under a review of CEDSS, which means the co-operative evaluation and development of school systems. It is a review by a local committee and an outside committee because of the trustees' concerns as to where we can save some money. My personal attitude is that we need to look at these programs to see where we can improve them for the benefit of our children.

Mr. Watson: Another aspect that has affected some boards is the remuneration of board members. What is Grey county's position on that?

Mr. G. Jones: Our honorarium was raised according to the federal standards for the first time since 1974.

Mrs. Lessels: Six per cent the first year and five the second.

Mr. Watson: So that aspect of it is not going to upset you terribly. If you have accepted six and five and the province says in the first year it must be five, that is the difference between six and five per cent.

Mrs. Lessels: If I could respond as a trustee, we feel we are grossly underpaid, but also we felt we had to set an example. Our administration went with a total cost of five per cent for the whole administration including compensation.

Mr. Watson: When was that done?

Mrs. Lessels: In August and September of this year prior to your bill.

Mr. Elston: Can you tell us in what way the board will be affected by those prices which will be monitored under this bill, in other words, the government pricing regulation, OHIP and other such things? Are you involved in any licensing? I presume you are involved in paying retail sales tax now. Can you provide us with a figure on those or any idea of what that is going to do for your board?

Mr. G. Jones: One aspect in relation to the sales tax on the school boards is that it was the decision of the board to give that back to the individual schools. In other words, it was your problem. You had to cut your budget accordingly. You lost seven per cent of whatever you had and it amounted, in our case, to \$30,000 roughly for the system.

Mr. Elston: What about in terms of your packages now? I do not want to get into negotiations. I presume, though, that OHIP is probably covered for most of the agreements.

Mr. G. Jones: We have a percentage coverage.

Mr. Elston: Would your board be in favour of having that particular item and any other government regulated prices fall under the same guidelines as the board is, in other words, nine per cent increase?

Mr. G. Jones: That is what we mean, total compensation.

Mr. Elston: So in your view, if this nine per cent and five per cent idea is going to be put forward and put in place, it ought to be for every aspect of the compensation package which deals with the provincial government prices.

Mr. G. Jones: Every dollar affects the board.

Mr. Elston: Alternatively, do I take it that if those items are not controlled by the government then their transfers should reflect the increases that they are allowing in those government controlled or monitored prices?

Mr. G. Jones: That is right.

Mr. Elston: That is really your point. You just do not want to get behind because you are being hit with reduced--

Mr. G. Jones: The buck stops somewhere.

Mr. Chairman: Thank you very much for your presentation. Since we have two minutes to go until six o'clock, I wish to point out that we will be meeting tomorrow after routine proceedings in room 151. Have the briefs gone around yet?

Mr. Mackenzie: I recognize the problem we had with the Grey county people as well, but the Ontario Public Service Employees Union people have been here all day, and at least one of them, if not more, have now lost a day's pay. I just think we are not going to be able to make this kind of a switch again in future. Either that or we have to have some authority to see that somebody is not out as a result of a decision we made to change the order of proceedings, especially somebody who has been here all day. In other words, it is a personal expense for some of them at an already low salary level.

Mr. Chairman: Are you making any positive suggestion as to what we do at this point?

Mr. Mackenzie: I am not sure it would be any use but I am simply saying that I think we are going to have to be very careful about any switches in order.

Mr. Chairman: I understand that. Are you making any positive suggestion as to what we do at this point with regard to the next group?

Mr. Mackenzie: Well maybe we should take a look at reimbursement of their--

Mr. Chairman: That is really was not where I was aiming.

Mr. Mackenzie: I did not think so.

Mr. Riddell: I would move that we work more hours and carry on and hear the group from the Ontario Public Service Employees Union.

Mr. Renwick: I do not see the clock myself.

Mr. Elston: Let us hear the presentation, Mr. Chairman, in fairness.

Mr. Chairman: All right, thank you. You know the position of the chair. The next group, briefs 15 and 16. Is it the intention of these two groups to combine? I see they are shaking their head, no. You want to make separate presentations? You are different locals, 561 and 533.

6 p.m.

Mr. Mitchell: I think a valid concern has been raised. We have to be very careful on how one deals with them. Obviously you made the switch in people you were hearing while I had to go to another meeting unfortunately, so I think the point is well raised. I wonder, however, in all honesty, at this point in time that we have reached if we are going to give these people fair shift in hearing their brief because I think we are all probably--we would be less than human if we did not admit it--going to be feeling the pangs of a variety of things. I am just wondering if the representatives here would rather start fresh with a fresh session tomorrow. Now I do not know.

Mr. Elston: They will have to come here and wait for us to finish with our routine proceedings tomorrow, and there is no telling how fresh they will be by the time we get to them.

Mr. Mitchell: It is merely a question--

Mr. Elston: And there is no telling how fresh we will be.

Mr. Chairman: Excuse me, it has been indicated here that they are willing to come back tomorrow following routine proceedings.

Mr. Cooke: I know that it is very difficult to say we will not sit over to listen to other groups, but I know from the sales tax committee and other committees I have sat on, if we get into that routine that means we are sitting twice a day. We went until after 11:30 one time with the sales tax committee. I know those may be farmer hours, but then you go home and by the time you finally get some sleep you are here at eight o'clock next morning. By the end of that committee things were rather hairy. I think if you set the precedent the second day that we sit past six o'clock, then we do have to look at some kind of order to follow. It is dangerous and difficult to say no to the people that are here, but I think in the long run it is better than setting a precedent now.

Mr. Foulds: I think Bob's suggestion is a good one, that if the groups can come back and I understand that they can--

Interjections.

Mr. Chairman: I think we had either better do one of two things. Either the people come forward and speak into the microphones or somebody recognize the clock right now.

Mr. Mitchell: Perhaps we can resolve it in this fashion, and I want to assure you I am speaking now strictly for myself. There are three presentations to be made. What about the other two? This gentleman obviously cannot come back tomorrow. What about the other two? Can they come back tomorrow? Speaking totally and completely for myself, I would be prepared to extend the time to hear the one short brief from the one person. In all fairness, some people may have to leave, and I think that we hear the brief all in the sense that that is what we are attempting to hear and the members who have to leave will not be caught short because of it.

Mr. Mackenzie: Put it on and let us be done with it, Mr. Chairman.

Mr. Chairman: Is it understood that there will be no votes and no motions?

Mr. Mackenzie: Without prejudice to future proceedings, we should go ahead.

Mr. Piché: If a vote was to come up, procedures are that someone then could call your attention to the clock and that brings adjournment immediately.

Mr. Chairman: In the midst of a vote, the clock will not be--

Mr. Mitchell: I assume that there has been that commitment.

Ms. Fish: In consideration of the unusual nature of what we are trying to do to accommodate people and the fact that it is noted that some members will have to be leaving, could we have an understanding--

Mr. Chairman: That all three parties agree there will be no votes and motions during this evening's proceedings?

Ms. Fish: With the exception of a motion for adjournment.

Mr. Mitchell: May we proceed, Mr. Chairman?

Mr. Chairman: Yes. It is not contemplated that we have all three.

Mr. Mitchell: No, it is just the one.

Mr. Chairman: Mr. James Abbott. Which local is this?

Mr. Abbott: Local 533.

Mr. Chairman: Make that exhibit 15 please.

Mr. Abbott: Before I read the brief, I would like to point out that this brief is the heart of the people. It was made up by 400 people who were interviewed and wanted to show their anger and frustration at the government for bringing in Bill 179.

We, members of Ontario Public Service Employees Union, Local 533, have always been good Canadians and Ontario citizens. We now refuse to be made second-class citizens because the Tories need a whipping person and are pushing through Bill 179. It is not our fault that the government in the past and present has mismanaged the economy. Now, instead of shouldering the blame themselves, they are telling the public that the civil servant is to blame, that we have job security and because of this our wages should be controlled.

The Ontario government has closed every Ontario teachers' college in the province. Mental hospitals have been closed and now patients sleep in the streets. Some heart, this "keep the promise government" has. Some job security we have. The majority of our people have had parents who have served in the armed forces of this country. Many of them were wounded and some lost their lives. Now their sons and daughters are having their rights taken away from them by Bill 179. Has it ever occurred to the government to tell the people of this province that the population has grown over the past 10 years, yet the work force of civil servants has diminished and government workers of today are producing more than in the past.

It was not OPSEU workers who made the Ontario government spend money foolishly in the good years from 1945 to 1975. If the government had been doing its job right in those years, it would have been saving for times like today. My members did not borrow millions of dollars to buy Suncor and have to borrow the money at such interest rates. OPSEU members do not even control their own pension funds. It is not civil servants who receive the high interest rate from this, their own money, but the Ontario government and, therefore, the people of this province.

Bill 179 is not fair and should be cast aside. Instead, a fair and just tax rate should be imposed on all citizens of the province. We in Local 533 of OPSEU strongly request that the Ontario government bring in a tax rate for those people making \$35,000 a year or more, which is more in line today. Leave the small wage earners alone, making from \$10,000 to \$35,000. If the government restricts wages of civil servants to nine per cent and five per cent, it will cause thousands of jobs to be lost in the private sector. If we civil servants cannot go into the store and spend, then salespeople and manufacture workers will be laid off, causing more unemployment and hardship for people of this province.

I am not here speaking for myself. Our local has been very active since the controls program was announced. In the past week 405 members have expressed their own opinions on this bill. These members are primarily office workers employed in office services and clerical staff categories. There are more clerk 3's than anything else in our local, and their average salary is \$342.57 a week.

Our members are particularly upset because they thought they had a deal. We voluntarily agreed to a two-year contract with the government of Ontario. Now the government is renegeing on that deal

and our members feel that the government is stealing money from their paycheques. Our clerk 3 members will lose an average of \$1,040 because of the rollbacks. The loss will really hurt our people. Many of them are now the sole wage earners in the family because their husbands have been laid off. All of them face high increases in living costs. We have asked around to gather information to prepare this brief and our members have told us their rent has increased by an average of 14 per cent.

6:10 p.m.

We, the membership of Local 533 of OPSEU, feel that we have been betrayed by the government, especially those of us who voted Tory. They have broken contracts which were made in good faith. They are taking away money they agreed to pay us. We ask in God's name for the Tories to do the right thing, forget Bill 179, tend to reality and "keep the promise". Thank you very much.

Mr. Chairman: Thank you, Mr. Abbott. Any questions?

Mr. Mackenzie: I just wanted your figures again. You say your local has some 400 members?

Mr. Abbott: It has 450 members.

Mr. Mackenzie: What do you represent, your members? What local is it?

Mr. Abbott: Ontario Public Service Employees Union,
Local 533.

Mr. Mackenzie: That is what? An office unit basically?

Mr. Abbott: It's Ontario Hospitalization, 2195 Yonge Street.

Mr. Mackenzie: Okay.

Mr. Renwick: What was the date of your contract? What was the date of your collective agreement?

Mr. Abbott: In our building, everybody has different contracts.

Mr. Renwick: They do, eh?

Mr. Abbott: The majority of the people in OPSEU are making less than \$20,000 a year. That includes most of the members in our local, in which I would say about 80 per cent are making roughly \$17,000 or less. These are clerk 3's.

Mr. Renwick: When did you sign that collective agreement?

Mr. Abbott: I am not sure when it was signed but I know that for most of them their new contract was supposed to come up October 1, and it has been rolled back.

Mr. Renwick: I see.

Mr. Foulds: It was a two-year contract?

Mr. Abbott: Yes, it was.

Mr. Foulds: It is the second--which year?

Mr. Abbott: It is the second year that we are coming into that has been rolled back, from, I believe, 12.5 per cent to nine per cent.

Mr. Foulds: It is the one that begins on December 31.

There is one other thing, if I might. You indicated that you thought a fair tax rate on those people earning over \$35,000 might be one way that the government gained additional revenue instead of this kind of bill. Do you see that as a surtax or just to build that into the income tax rate? Does it much matter?

Mr. Abbott: The majority of the people I talked to--and I have talked to close to 2,000 members--suggest it as a surtax because the people who are making more than \$35,000 can well afford it while farmers who are not making \$35,000 cannot afford it. Members of Parliament can well afford it.

Mr. Foulds: Some of us actually earn under that. Did you have any discussions with other areas of taxation that the government might look at, like corporate taxation?

Mr. Abbott: Yes, we did, but I do not feel that I am at liberty to say because I was not instructed by my local to say anything.

Mr. Foulds: Fine, thank you very much.

Mr. Elston: Could you tell us how many, percentage-wise, are making less than your average wage? I presume the majority of your people are making well under the \$17,000.

Mr. Abbott: I would say in OPSEU it must be at least 60 per cent or better making less than \$17,000. Most of them are female and most of them are clerks.

Mr. Elston: Of those, do you know how many would be eligible for the limited notching that is available right now? About the 60 per cent roughly? Anybody under \$15,000.?

Mr. Abbott: Roughly 60 per cent.

Mr. Elston: Have you got a reading of how many are under \$15,000?

Mr. Abbott: I would say at least 20 per cent because a lot of them are not working full-time.

Mr. Elston: A lot of part-time employees?

Mr. Abbott: Yes.

Mr. Elston: Has there been a decrease in the number of people in your local?

Mr. Abbott: The decrease in our local has been extensive. Three years ago people in the Ministry of Community and Social Services, which then occupied three floors in our building, roughly 800 people, was informed that they would either be relocated or to start looking for new jobs. Since that time that entire relocation has taken place. The government hired contract staff as people were leaving and just recently has given practically all those contract staff except five, I believe, a pink slip. They are now being laid off.

Also, to show you the extent of the layoffs in that one particular building, we have had two or three new departments come in. It all used to be Ontario health insurance plan. Now we have the Ontario Parole Board. I guess the other people that are there have something to do with income tax or something. I am not sure.

Mr. Elston: Have any of the former members who have been laid off been relocated at all with respect to the relocation to Kingston that took place in OHIP?

Mr. Abbott: Some of them, eight that I know of, were given jobs. A couple of them living in Pickering were told that if they did not take a job in Oakville they would be laid off. How do you get from Pickering to Oakville? They are saying, "Okay, we are freezing." But when the government freezes there are only the two places they can apply, 2195 Yonge or Kingston. Even now, when somebody retires or quits he is not replaced.

Mr. Elston: With respect to the numbers, you said there were some people who were replaced by contract staff?

Mr. Abbott: For example, in our own building there used to be Ontario public service cleaners. Now, I believe, there are only two buildings with government cleaners. In 2195 it has gone contract. I believe 25 Grosvenor Street and the Legislative Building are the only two buildings with government cleaners. The security used to be people who were hired by the government; now that has gone contract. Frankly, the whole building has gone contract.

In 1977 I was informed they were closing the Ontario Teachers' College and to look for another job. The government stepped in and said, "Okay, we are going to help you find another job." I was not offered one other job. There were no stationary engineers and I went and did cleaning jobs for two and a half years at Grosvenor Street. Finally, after two and a half years, I got a job as a stationary engineer at 2195 Yonge Street, which is the OHIP building.

I would like to point out to this committee that the government hired at least five other stationary engineers on three-month contracts. They are still doing this. Just recently, as a matter of fact on September 1, in the building we are now in they have brought in controls, where engineers are no longer needed. We have been told to start looking for other jobs.

You can say, "Well, the government is protecting you and you can go out." There are no other jobs for engineers in the public service.

Mr. Elston: Thanks very much.

Mr. Chairman: Thank you very much, Mr. Abbott.
Gentlemen, we are adjourned until 1:51 p.m. following routine proceedings tomorrow.

The committee adjourned at 6:18 p.m.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

INFLATION RESTRAINT ACT

THURSDAY, OCTOBER 21, 1982

Afternoon sitting



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Also taking part:

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Cooke, D. S. (Windsor-Riverside NDP)
Johnston, R. F. (Scarborough West NDP)
Mackenzie, R. W. (Hamilton East NDP)
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Clerk: Arnott, D.

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From the Ontario English Catholic Teachers' Association:
Kavanagh, Rev. F., Executive Director
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Murphy, P., Staff Assistant

From the Ontario Public Service Employees Union:
Doughty, H. A., Vice-Chairperson, Metropolitan Toronto East Area
Council
Egri, B., Vice-President, Local 561

From the Ontario Teachers' Federation:
Aylsworth, D., Executive Assistant
Jones, W., Secretary-Treasurer
Meek, G., Past President
Sweeney, F., President

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Thursday, October 21, 1982

The committee met at 3:53 p.m. in room 151.

INFLATION RESTRAINT ACT
(continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Chairman: I see a quorum. I call the committee to order. I would like to bring up something at this point. It is to do with a number of groups in front of us. We are more than a quarter of the way through in time. Approximately 11 hours out of 33 have gone. Fifteen groups have been heard out of a present 111 that wish to be heard. To date, we have averaged about 40 minutes per group, so if we extrapolate this 40 minutes into the time available, there will be fewer than 50 groups heard with more than 60 groups left unheard at the time our instructions say we must cease public hearings.

There are several choices we have. I see five choices. One of them is do nothing and simply carry on and run out of time. Number two is to set up two subcommittees, or to divide into committees to hear them. Number three would be to set severe time limits, as I mentioned before, upon each presentation to try to get through the entire number, and those would be severe time limits of down to perhaps 10 minutes per presentation. The next alternative would be to request the House leaders to put through the House an extension of the sittings for the public hearing. The last alternative I see is that this committee or a subcommittee prioritize and select the presentations we are going to hear to the exclusion of some others. May I have some suggestions?

Mr. Cooke: Mr. Chairman, if I may suggest, the subcommittee route is unacceptable to my caucus. When the committees were being set up, the reason the ratios have been set up the way they have is to allow my caucus to have two members on a committee. A subcommittee has always been rejected when it has been discussed in the House leaders' meetings for these types of things because it is felt that a caucus should be able to have at least two members on a committee.

I would suggest that we should, either by consensus or by passing a motion, present the problem to the House leaders with either a recommendation we would like them to consider or come up with a resolution of the problem themselves. Our resolution or suggestion is that they look at extending the hearings.

Mr. Mackenzie: I concur with that.

Mr. Chairman: The same thing, Mr. Mackenzie.

Mr. Wrye: Mr. Chairman, I think at this stage in the hearings that would be acceptable to us, that we ask the House leaders to take another look at it in view of the fact that we want all of the public who wish to be heard to have a chance to be heard.

Mr. Elston: The same thing.

Mr. Chairman: Is that the consensus? That is the consensus. Will I do that on behalf--

Mr. Watson: Is that what?

Mr. Chairman: Is it the consensus of the committee that I, on behalf of the committee, approach the House leaders with a request that they consider putting a resolution through the House extending the public hearing times of this committee on this bill?

Mr. Mackenzie: We would accept that.

Mr. Chairman: I have had some consensus here.

Mr. Watson: I think the ground rules were made by the House leaders before and I think we should live with them.

Mr. Elston: Mr. Chairman, I do not know how we, as members of the committee, will want to prejudge what presentations are to be made by any particular group at any time. I rather suspect that there will be different items that might bother different delegations and, to be quite honest, I cannot see prioritizing any of those people who wish an appointment with us and exclude those who we do not think will provide acceptable material.

I do think we have to at least let the House leaders look at dealing with the tremendous volume of requests for public input into this bill. It is incumbent upon us to allow those people who have expressed interest, either in answer to advertisements or as a result of their own particular interest generated by the bill, to have an opportunity to put their points on the record themselves.

Mr. Chairman: Yes. Might I suggest this by way of thought? May I then contact, on behalf of the committee, the House leaders and present the problem to them without recommendations? Would that be acceptable?

Mr. Mackenzie: Mr. Chairman, if I can point out one thing that may or may not be of some assistance, I am sure nobody in this committee wants to cut off the groups. When we were asked, and I presume this was done to the other caucuses as well, if we could give an estimation of the number of people who may want to appear before this committee, the figure we gave the House leaders was 40 to 50 groups.

We had no idea ourselves, that we would end up currently, as I understand it, with better than 110. The House leaders' decision

was also, to some extent, made on trying to figure whether or not they could fit in that kind of a grouping of people. I do not know what the other caucuses suggested, but we suggested that kind of a number. In view of the fantastic response, the House leaders at least should have a look at it before this is finally resolved.

Mr. Jones: Mr. Chairman, several of us have served recently on the committee for the legislation. We were faced with the same problem. The pension committee had much the same problem. We had to be somewhat inventive in ordering our time. We did find, particularly in the tax legislation, with the guidance of the chairman and agreement by the different caucuses, we were able to group together some people who had similar presentations. They came to the table together and we were able to have all of them available for the questioning by the committee.

Mr. Cooke: There is still something like 40 groups left. You are going to have to look at the time factor.

Mr. Chairman: Yes. There is one other problem as to what the clerks are going to be authorized to tell the people who are phoning in for times and where they are supposed to put them and what they are supposed to answer them as to when they might be heard. At this point, all time slots are filled. The time for putting applications to our committee is not yet up--not till five o'clock tomorrow afternoon.

Mr. Cooke: Mr. Chairman, that is why I think we cannot go any other route but to put a specific request and not to just give the problem to the House leaders. We, as a committee, have an obligation to suggest at least a solution to our own problems. However, realizing that this matter was originally debated and compromised on by the three House leaders, all we would be suggesting is that they consider the extension of the hearings. We should put that motion or that suggestion to them through you today and act accordingly. If they say no, then there are going to be some groups who are not going to be heard.

4 p.m.

Hon. F. S. Miller: Mr. Chairman, the question of total time in the second reading, in committee, in clauses by clause and back to the House has to be considered. On September 21, when this bill was brought forward, it was assumed the second reading time would be somewhat short. If we counted the time used by the three parties--one party used a great deal and the other two parties did not use a great deal--we felt they used so much of that time that really the committee now has a much shorter timetable across the fall.

Mr. Cooke: That is absolute silliness and you know that. The only way we got the two weeks of hearings was by continuing the second reading discussion.

Hon. F. S. Miller: It is factual. No, it is not at all.

Mr. Cooke: That is true. The original offer by your government was less than a week of hearings.

Mr. Mackenzie: One week of hearings, as I recall it.

Hon. F. S. Miller: There is a lot of other work that has to be done across the fall. I would suggest we were very patient through that House sitting. We made no attempts to cut anybody's time down. There were debates as long as two days per speaker, as you know. That means that across the balance of the fall there is no time for the legislation to pass through. I feel it is my responsibility to have this in place and I can not recommend to my House leader that he extend the time.

Mr. Chairman: Fine.

Mr. Mackenzie: Surely they could have the opportunity to discuss it at least.

Mr. Cooke: You have presented a blatant untruth to the committee and you know that.

Hon. F. S. Miller: I am simply saying--

Mr. Chairman: Excuse me. We are getting into a little heavy water here. May I go back to the point where I then put it? Is it a consensus that I put to the House leaders the problem without specifics--

Mr. Piché: Without suggestions, just the problem.

Mr. Chairman: Without suggestions.

Mr. Piché: If there is a problem.

Hon. F. S. Miller: There is a problem. I accept that.

Mr. Chairman: Is that satisfactory to the New Democratic Party?

Mr. Cooke: If that is the only consensus we can get. The Liberals and our party had agreed to making a recommendation, but Mr. Watson's suggestion was so overwhelming that the rest of his members have now come in line. I guess we will not be able to make a suggestion.

Mr. Chairman: I think the only consensus I can get is that I put it to the House. Thank you. There is one more thing. May I have it understood and confirmed that if we have to we will take oral presentations up until tomorrow at five o'clock and thereafter they must be written presentations at the same time. Yes. That is understood.

Mr. Wrye: Mr. Chairman, I have one other motion before we begin. In view of the time, I will keep it very short and will not give it any preamble. I would like to move that this committee requests that Sally Barnes, chairperson of the Ontario Status of Women Council, be requested to appear before the standing committee on the administration of justice during the public hearings on Bill 179 to give testimony on the impact of this legislation on women in the Ontario public sector.

Mr. Chairman: Thank you, Mr. Wrye. I will rule that out of order for the same reasons that I have ruled the other out of order. She is--

Mr. Elston: She is not a member of the government, is she?

Mr. Chairman: She is not a member of the government.

Mr. Elston: She is a member of an advisory board. Right?

Mr. Cooke: Is she a member of the public of Ontario? Maybe you could answer that question.

Mr. Mackenzie: Would you give us the basis to your ruling if you are, once again, going to rule a motion out of order that is in order, Mr. Chairman?

Mr. Chairman: Thank you for your commentary. It is the same ruling; it is out of order. We are under mandatory instructions from the House. We are here to hear from the general public.

Mr. Piché: That is what we should be doing right now.

Mr. Chairman: Yes. We are not here to bring motions to force certain persons of the public to come, whether they be a member of the bar--everybody is a member of the public--whether they be a member of an agency, board or commission of this government or not.

Mr. Cooke: None of the motions is forcing anyone. They ask, they invite.

Mr. Wrye: The motion is a request.

Mr. Chairman: Yes. It is a request from the committee.

Mr. Wrye: I would draw to the committee's attention, since Mr. Watson has just made a point, that the council has been present at hearings on the Ontario Human Rights Code amendments, the Family Law Reform Act and Bill 3, also known as equal pay for work of equal value legislation. Its presence was also made known at the Haley commission on pensions.

It seems to me that the council has appeared on regular occasions whenever issues facing women were in the forefront. Miss Barnes has not requested a hearing to be here and I think we ought to hear from her, to know the council's views on these very important matters.

Since she is clearly a member of the public and the council is surely not an appendage of this government--

Mr. Chairman: Mr. Wrye, my ruling is the same. That is out of order. It may be challenged. She is an employee of the

crown. She is a member of the bureaucracy of the agencies, boards and commissions of this government. I am ruling it out of order for the same reason. We are under a tight frame of reference from the Legislature to hold public hearings. We are to hear from the people who wish to come before us, and not to consider motions directing or requesting people to appear before us.

Mr. Wrye: Mr. Chairman, to move things along, I have no choice but to challenge your ruling.

Mr. Chairman: Members have heard the challenge from Mr. Wrye. Will those in favour of upholding the ruling of the chair please raise their hands? That is six upholding the chair's ruling and five opposing.

Motion negatived.

Mr. Chairman: The ruling is carried.

Mr. Cooke: Mr. Chairman, I would like to ask you a question, just so it is clear in my mind. There have been three motions by three people. A significant number of members of this committee wanted these people to appear before us. Have you indicated that these people will appear before the committee after the public hearings?

Mr. Chairman: I indicated to you before that I would entertain those motions after the public hearings are completed, which is due to happen on November 1, 1982, according to our instructions.

Mr. Cooke: Then if those motions are passed, will we have them in front of us just as we had these people before?

Mr. Chairman: I cannot anticipate whether a motion that will be put a week and a half or two weeks from now will be passed.

Mr. Cooke: You are painting yourself into the corner.

Mr. Chairman: I will entertain the motion at that point. That is all I said then and I have not expanded upon it since then.

May we hear from the first group, which is left over from last night. Exhibit 16 is a brief from the Ontario Public Service Employees Union, Local 561. Could the group please come to the microphone? Would you carry on? Are you Susie Vallance?

Ms. Egri: No, I am Betty Egri.

Mr. Chairman: I am sorry, you are shown on today's agenda; it is revised.

Ms. Egri: I appear before you on behalf of the 431 members of the college of applied arts and technology support staff bargaining unit at Seneca College, OPSEU local 561. Our members perform a variety of tasks at the college, including secretarial, custodial, technical and clerical functions. The average wage of our members is \$304 gross per week. Our members, however, are the people that Premier Davis has targeted to bear the brunt of his so-called fight against inflation.

Other groups will no doubt bring forward arguments, backed up by impressive statistical evidence, which will attempt to prove that wage controls either will or will not help to lower the inflation rate and either will or will not generally assist in producing an economic recovery in this province. I will leave it to the professional economists to argue back and forth about the expected impact of discriminatory wage controls imposed unilaterally upon public servants. Instead, I want to put before you the human situation of the people who live their lives behind those cold-blooded statistics, and whose unjust and, in this case, absolutely unnecessary suffering is the result of what we regard as a cynical political ploy.

4:10 p.m.

In speaking to the issue of Bill 179, I would like to have you consider the words of Bill Davis. In the speech which introduced this pernicious legislation into the Ontario Legislature, Mr. Davis told us, "Everyone agrees that high interest rates are the principal obstacle to economic recovery."

Without ever explaining how he imagines public service wage controls would lower interest rates, Mr. Davis went on to announce that his prescription for economic recovery amounted to nothing more than placing a five per cent limit on public sector wages. In the meantime, for reasons completely unrelated to any provincial wage restraint scheme, interest rates have fallen dramatically in the past few months. This decline has nothing to do with wage controls, and wage controls will not help when, after the US congressional elections are over, pressure is exerted to raise those rates again.

However, in the meantime, Mr. Davis admits that "deliberately increasing unemployment and consciously reducing domestic demand through the blunt instrument of tight monetary policy is clearly misguided...and it is not working." Still, Mr. Davis seems able to produce no more imaginative policy. He is reduced to punishing public servants under the guise of fiscal restraint.

He pretends there is an equitable tradeoff. He contends that private sector workers have far less job security than public sector workers, but we in the public sector know different. Even Mr. Davis admits the public sector employee complement is being reduced through attrition, layoffs and the contracting out of jobs to the private sector at unnecessarily inflated costs. In fact, Mr. Davis, in his 1982 budget called 6,000 civil service job eliminations government efficiency. However, Mr. Davis insists that further penalties be imposed on our people.

Let me make three specific points that I hope you will consider before you pass this bill into law:

First, there is the matter of a breach of trust. Bill Davis promised us earlier this year that he would not impose discriminatory wage controls on the public service. He has gone

back on his word. He has attempted to evade responsibility for this broken promise to Ontario by pretending the situation has changed. He asks us to believe that such a promise could be made when mortgage rates and even the prime interest rate were hovering around 20 per cent, but could now be broken when interest rates and mortgage rates have fallen to about 14 per cent.

If Mr. Davis is being truthful in his statement that high interest rates are the major obstacle to economic recovery, it would be obvious that wage controls are no longer necessary, for clearly the recession is being reversed. But then again, perhaps Mr. Davis is being less than candid. His lack of candour is exemplified in more than his grandiose promises and his subsequent reversals.

At the local level, at the level that affects the members I represent, we are presented with violations of Mr. Davis' more recent promises that go beyond irony and enter into the realm of the ridiculous. I give you Mr. Davis' statement on price controls: "All prices and fees charge by ministries within this government will be held to increases not in excess of the five per cent guideline." Now consider the truth. This academic year all employees at Seneca College have been forced to pay a 100 per cent increase in parking fees. We now have to pay double and work for less.

Many of you may not think the doubling of parking fees is a serious cause for complaint, but I suspect that none of you earns \$304 gross per week. All of you work at Queen's Park, which is at least accessible to the Toronto Transit Commission. Many of our members work in King City, where absolutely no public transit is available. For many of my members, \$5 per week for parking their cars is equivalent to the moneys budgeted for laundering their clothes.

But such considerations are still statistical, and many of you may not completely relate to them. Let me try to impress upon you the severity of your new approach to the economy by telling you two stories that are, unfortunately, true.

The first concerns one of my members who is a single parent. Because her son lives at home, he is ineligible for student assistance. He worked all summer to pay for his college expenses. Mr. Davis may be correct in saying that he has limited increases in tuition costs to five per cent. However, he has not kept down the price of books, TTC tickets, food and shelter. The young man in question will complete his first semester at college, but he may very well have to drop out in the spring. Even if he is able to remain to complete his first year, other policies work against him.

The length of the college year, for example, has been extended for purely artificial reasons in order to make their books look good. The results, as the teachers will tell you, are the further decline of educational standards and, in the case of this woman and her son, a very unfortunate cost. Since he now has to spend many extra weeks in school, he will not have enough time

to earn his second-year fees over the following summer. Tuition fees may be limited to five per cent, but a single parent will see her son leave school sooner or later because of the policies of this government and the fact that her salary is being restricted by Bill 179.

There is another story. It is a story of a technician who has worked at my college for more than 13 years. He is a skilled worker, but the college sees fit to pay him only \$17,500 a year. His wife also works as a medical secretary and earns about the same. They have been married for several years and scrimped and saved to buy a home. After tightening their belts as tight as they could be--they did have a child, which somewhat reduced their savings--they still were able to make a downpayment on a new home in Scarborough. They bought this house two years ago when prices were high and mortgage rates were higher.

His wife's father has been laid off after almost 30 years in a manufacturing company and his wife's mother will be laid off next month. His father-in-law has been jobless for almost a year. My member has had to make a choice and he has made it. In order to ensure that his father-in-law and mother-in-law do not lose their home, he has put his up for sale. He will take a substantial loss because house prices have declined over the past two year. He and his family have been forced to move in with their in-laws who live 60 miles north of the city. That will compel him and his wife to commute each day.

The result? Two hard-working, honest people saved for years to buy a new home and have a family. They have now lost their home. They are not foolish people. They did not live extravagantly. They were frugal and cautious and they have been wiped out. the Davis government now insists upon punishing these people even further.

If I were still a naive employee who trusted in the common decency of my employer and the government that backs them, I would probably say that all this was inequitable. But I now know that inequity is the name of Mr. Davis' game. He has said it himself. He said, "...singling out the public service is inequitable. I am not," he continued, "retreating from that contention. But the truth of the matter is that there is a great deal of inequity in our current economic circumstances."

This is not news to us, for we, the support staff members of Seneca College have been victims of these inequities for years. However, Mr. Davis goes on to insult us even further. He proclaims that "the measure of job security afforded those who work in the public sector must be viewed as somewhat inequitable."

He is trying to play off job security, which is a complete myth in the public sector, with decent wage increases. It cannot be done. We cannot continue to be the scapegoats for government mismanagement and taxpayer give-aways to Mr. Davis' friends in the private sector. There are too many casualties. There is too much pain. Too many ordinary hardworking people are being made to pay for this government's mistakes.

4:20 p.m.

I am told that to accuse an MPP of telling a lie is unacceptable, so I won't. I'll just say that the truth is not being told. We, the working poor, are being made the object of a cruel joke. We know that our appearance here is unlikely to change things, that the cynical actions of the politicians who want to curry favour with the electorate are unlikely to be reversed. However, for those Conservatives on this committee who still remember their intellectual roots, I would like to conclude with a quotation.

As a mere worker appearing before this body, I have the sad feeling that I am speaking out of futility. You will not listen to me, I fear, nor will you take what I say seriously. I am merely another part of your day and you will go off happily and content with a job well done. I will not go away happy. I will leave here with the anger I feel as a public sector worker, with the anger I feel as a woman and, therefore, someone who has been most seriously affected by this legislation, and as a citizen whose basic political and civil rights are being swept away by this utterly unacceptable bill.

I wish to give you this quote. It comes from Richard Hooker, who said over 300 years ago, "We do what we do so that posterity may know that we do not loosely through silence let things slip away as in a dream."

Mr. Davis must know that in his public assurances that public sector workers will comply with his dishonest Bill 179 is equally dishonest. We oppose the bill; we oppose it unalterably. It is unacceptable and we will do everything in our power to oppose it and to defeat any MPP who supports it. We have rights. We will not let our rights slip away. We will not allow this government to further reduce us. We have not been silent here. We will not be silent in days to come.

Mr. Mackenzie: I have just one question. Is there any feeling amongst your group at all that there is any way this bill could be improved with the introduction of amendments?

Ms. Egri: None at all.

Mr. Wrye: My questions may seem a little ironic in view of Mr. Mackenzie's question, but let me ask you this. You pointed out that your group makes an average of \$304 a week gross--

Ms. Egri: Gross, yes.

Mr. Wrye: --which I quickly calculate to be somewhat under \$16,000 a year.

Ms. Egri: The bill makes some provision for a possibility, and I emphasize that word, for some notching for those lower paid. What would be the feeling of your workers if this committee were to (a) improve the notching quite drastically and (b) were to make it not a possibility but were to mandate such notching for those earning less than \$20,000 a year?

Ms. Egri: Our group does not support this bill at all. Our right to free collective bargaining has been taken away. Our right to strike has been taken away and our salaries have been taken away. We cannot support this with any kind of amendment.

Mr. Wrye: Let me ask you this. Let me just give you this as background. One of the first groups that came before us, I believe it was the Etobicoke women teachers, quoted John Crispo as calling wage controls a fraud. He didn't mean that there ought to not be limits on wage controls. Crispo simply suggested that with each and every collective bargaining--and this is obviously a sledgehammer approach, and I'm not going to deny that it is--this could occur.

If the government, for example, were to tighten the screws on the amount of money your community college got or the whole sector got for colleges and universities, then the screws could be tightened on each and every individual round of negotiations. They appear to have taken a different course.

If we were to combine notching then with a retention of your right to free collective bargaining, including the right to strike and/or arbitration, as some could only go to arbitration, for all noncompensation issues--not nonmonetary because that's another way the employer can slip out from under--which would only be your wages and fringe benefits, would that make the bill more palatable, to allow you to negotiate for health and safety issues; for, in the case of teachers, class size; in the case of your group, the size of your bargaining unit? Would that make an improvement in the bill?

Ms. Egri: Definitely no. We will not support this bill at all.

Mr. Chairman: Is that your questioning, Mr. Wrye?

Mr. Wrye: That's it.

Mr. Chairman: Thank you very much. The second witnesses are from the Metro Toronto East Area Council, Messrs. Doughty and Barrett.

Mr. Doughty: I'm Howard Doughty. By way of introduction, I would like to inform you of the nature of the group I represent. It is the Metro Toronto East Area Council of the Ontario Public Service Employees Union. It is a voluntary association of local unions in roughly the geographical area bordered on the north by Steeles Avenue, on the east by the Port Union Road, on the south by Lake Ontario and on the west by the Don River.

The council represents participating local unions in such work areas as the Ontario Science Centre, Centennial College of Applied Arts and Technology, Seneca College of Applied Arts and Technology and a wide variety of public service fields.

As vice-chairman of the council and as spokesperson for our organization, I wish to express at the beginning my sincere thanks to this group for allowing us this opportunity to be heard, especially in view of the extremely serious nature of the bill now being considered by this committee. To begin, I would like to give you a general statement of our position. Our council is firmly and thoroughly opposed to Bill 179 and it will be my purpose here to present the highlights of our arguments against that bill in the hope that the Legislature of Ontario will take our objections to heart and will defeat the bill.

Our concerns fall into three basic categories: the category of equity, the category of the economy and the category of civil liberties. I will address each of these categories in turn.

First, with respect to the matter of equity. It is the stated position of the Premier of Ontario that the wage control program embodied in Bill 179 is inequitable in that it discriminates against public sector workers. However, it is the further argument of the Premier that this inequity can be justified in view of what he considers to be the greater job security afforded to public sector workers. This tradeoff of wage controls for allegedly secure employment is the first matter that we wish to contest.

In the first place, the so-called job security in the public service sector is merely a myth. Cutbacks in many social service programs have created serious problems with respect to layoffs. As well, efforts in many ministries to contract out services to the private sector have placed an added burden upon our employees. Finally, what job protection there may be has been seriously threatened by the conditions of Bill 179 itself, for it reduces the collective bargaining process to a cruel joke. It makes effective contractual negotiations on matters of job security, working conditions and, of course, wages utterly impossible.

Second, the simple tradeoff discussed by the Premier takes into account no measure of productivity. Of the many examples that might be cited, I am of course most familiar with the circumstances at my own place of employment. Therefore, I ask your indulgence as I speak to the issue of increased workload.

4:30 p.m.

When first hired by Seneca College, I was given a work assignment of four classes per week to teach and I was assured by the college that it was committed to a high standard of education and the quality of education would, in part, be guaranteed by a student-teacher ratio of not more than 15 to one. That commitment has been broken.

Instead of teaching a maximum of 60 students per semester, I am now assigned six classes with an average maximum enrolment of 35. As a result, I am now teaching more than 200 students, a productivity increase of well over 300 per cent. However, I am asked to believe that it is equitable under such conditions to

live with a wage increase in terms of consumer spending power of something in excess of five per cent. I speak not only for myself but for our entire council when I state flatly that this will not do.

As a teacher in a community college I have not had a wage increase that has equalled or exceeded the inflation rate since 1975. Having, therefore, not kept up with inflation, I can hardly be held accountable for it and cannot, therefore, deem it equitable to be punished for it.

Finally, there is the general question of who should properly be held responsible for inflation and who should, as a result, now pay the price. The entire notion that wages are the source of inflation is blatantly untrue. Accordingly, no matter what principles, job security, productivity or any other are introduced into the calculus of equity, the end result cannot be anything but a hoax.

Even if our jobs were secure, and they are not, and even if our wages accurately reflected our actual contribution to society, and they do not, it would still be the case that a wages controls program would be inappropriate. The basic premise upon which it is founded, the premise that working people are the villains rather than the victims of our current economic problems, is untrue.

I want to skip a little bit through my presentation. You have it before you. I do not want to deal much with the economic issues because I understand that previously people representing my union have already dealt with the matter of the impact of these wage controls, so I will summarize very briefly the points that they made. The impact of wage controls would be approximately the removal of \$500 million from our pockets. You have heard already that this would be the equivalent of shutting down Inco and Stelco on the same day. We have already seen, and you will have already seen if you have travelled to Sudbury, what a dramatic effect that has on our economy. All that these wage controls will do is double that price and spread it out across the province.

I understand, despite the two hours given to the people from the chamber of commerce yesterday, that time is limited. If you would just move to page 7 of the brief, I want to address what I consider to be the crucial matter that our group is concerned with. It is the question of civil liberties. I'm going to make some suggestions and I'm going to talk about matters of motive. When I speak I am sure that a great deal of what I say will be considered cynical, but I assure you that it is merely a reflection of our view of the cynicism of this government.

Earlier this year, as you well know, the Premier (Mr. Davis) made a commitment, a promise, to Sean O'Flynn, the president of our union, and to our union members that he would not impose discriminatory wage controls upon the public service. He has broken that promise and we are compelled to ask what other broken promises lie beneath it and are embodied in the implications of Bill 179. Bill 179 cannot be justified as sound economic policy. It is merely politically expedient.

Being either unwilling or unable to take action that would genuinely assist our economy, the Premier seems intent on either doing something, almost anything, or at least appearing to do something, that will enhance our economic situation. Since the idea of wage controls appears popular, and since an organized circus of public service bashing also seems to have high mass appeal, Mr. Davis, I submit to you, is merely bolstering his popularity at the immediate expense of public service workers and at the long-term expense of the Ontario economy. That consideration alone would help to explain why Bill 179 has been introduced. However, we suspect that the cynicism that sustains this policy is even more sinister.

While crying crocodile tears over the fate of Polish workers, President Reagan seems quite comfortable in his own successful smashing of the American air traffic controllers' union. Mr. Davis, who we imagine is equally pleased to support free trade unions so long as they are in Poland, has learned his lesson well. He has found that it is possible to introduce legislation that strips workers of their most fundamental rights without being terribly concerned about the consequences. Already many public sector workers, those under the Crown Employees Collective Bargaining Act, are deprived of basic political rights. Now all public sector workers have been denied the right to strike and denied the right to arbitration. The collective bargaining process, if this bill is passed, will be destroyed.

Mr. Davis believes that he can weather the storm. He seems confident in his expectation that the labour movement will simply fold under the pressure. I am here today to state flatly that we understand what Mr. Davis has in mind and our opposition will not wither away as he expects. Economic penalties are difficult enough to endure, but Bill 179 does more; it takes away our precious civil rights, and this is unconscionable.

Again the question arises, Why? Allow me, if you will, to suggest that Mr. Davis has chosen this economically wrongheaded and politically unacceptable strategy for a very peculiar reason. He has witnessed over the past decade a very peculiar phenomenon in modern labour relations. The union of which I am a member was, for many years, a mild and inoffensive association. In name and in nature we have changed over the past decade.

The former Civil Service Association of Ontario Incorporated is now the Ontario Public Service Employees Union. We have begun to take our proper place in the labour movement of Canada. We have begun to take strong stands to defend our rights and to defend what we regard to be the rights of all Canadians. What some people have termed the new militancy of OPSEU has caused Mr. Davis concern.

However, OPSEU is not alone. Other public sector workers, two groups of which you heard from yesterday, the Ontario Secondary School Teachers' Federation and the Canadian Union of Electrical Workers, and many others have finally learned what it takes to maintain our economic and civil rights in this society. We have all learned that we must stand up and defend ourselves. We

have learned from Mr. Davis and his policies, but Mr. Davis seems convinced that we are merely to be treated like children. He believes, it would seem, that all we need is to have our wrists slapped and we will cower.

4:40 p.m.

Bill 179 is that slap on the wrist. It is a pernicious attempt to demonstrate to public sector workers that our new-found strength and our self assurance will not be tolerated by the Davis government, but Mr. Davis has an even more unpleasant surprise in store for him. We are not merely standing up; we will not lie down again

Let me conclude. Bill 179 is inequitable; it cannot be defended because it is blatantly unjust and unfair. Bill 179 is economically wrongheaded. It cannot be defended because it will harm our economy. Bill 179 is politically cynical, and it is a blatant, unacceptable, fundamental violation of our human rights as citizens in this country and this province. To anticipate the questions from the members of the Liberal Party, it cannot be modified, it cannot be amended, it cannot in any way be changed in a manner that will make it acceptable. It must be withdrawn or it must be defeated. I thank you.

Mr. Mackenzie: I have no questions. The conclusion is the one question I would have asked.

Mr. Watson: Some of us would find your presentation cynical. You say you are to have taken away this figure of \$500 million. Where do you think that \$500 million would have come from?

Mr. Doughty: That would depend on what workers you are talking about.

Mr. Watson: Do you say it is \$500 million you are not going to get?

Mr. Doughty: That is right.

Mr. Watson: Do you not think that \$500 million comes out of the taxpayers of this province?

Mr. Doughty: Of which I happen to be a member. Yes, it does.

Mr. Chairman: Thank you very much, Mr. Doughty. The third group is from the Council of Ontario Universities, Dr. Connell. The brief being distributed will be exhibit 18. You might identify yourselves, please.

Dr. Connell: Mr. Chairman, my name is George Connell. I am president of the University of Western Ontario and chairman of the Council of Ontario Universities. My colleague is Dr. Edward Monahan, the executive director of our council. The council consists of the 15 universities of Ontario, the Ontario Institute for Studies in Education, Ryerson Polytechnical Institute and the Ontario College of Art.

In the interests of time, I will not read the brief but I will comment briefly on three points in it. The Council of Ontario Universities supports in general the objectives of the bill. As for all other sectors of the economy, inflation has been an extremely serious problem for the universities and the bill will make a substantial contribution to the control of inflation. We support that end.

Restraint is not new for the universities. We have been experiencing severe restraint for several years. Our operating revenue, which consists almost entirely of provincial grants plus fees, is totally controlled by government policy. May I remind committee members that 10 years ago, in 1972-73, expenditures on Ontario universities by the province amounted to 6.6 per cent of total expenditures. That declined to the level of 5.4 per cent in 1981-82. The difference, if we had maintained the original level, would have been \$209 million. That is just one way of measuring the restraint which the university system has experienced.

Universities have adapted to that restraint by a variety of measures, including some improvements in efficiency where that was possible, but also including severe restraint on levels of compensation, reduced staff complement in a number of areas leading to lower levels of service, deferral of needed maintenance and a reduced rate of building of assets such as library collections. These restraint measures add up to a substantial liability at present which, in the long run, will have to be corrected if the universities are to thrive.

What will be different under the proposed legislation is that the shortfall in the year of restraint will be focused on compensation only. We are engaged now in trying to assess the costs of expected salary settlement under the constraint program. They will certainly exceed five per cent. Our very first estimate is that they will probably range between six per cent and eight per cent--that is, the increments over the current year--but we will have precise calculations which we will put in the hands of the Treasurer (Mr. F. S. Miller) at the earliest possible moment. Our non-salary costs will certainly exceed five per cent.

Our urgent position is that the university revenue grants plus fees should be sufficient to meet these unavoidable increases in costs. So while the restraint will be focused on compensation, we believe we should not, at the same time, continue to build our liability in the other areas I mentioned.

I would like to make just two further comments. The first is to make clear to committee members that, in the matter of compensation, the universities are in competition with many other groups in society. If I may focus on university faculty members, we have on our faculty those who are, for example, engineers, economists, psychologists and nurses, albeit qualified at a very high level, all much sought after by other employers.

Even those who do not have very clear alternative roles in the private sector are much sought after by other universities in other provinces and outside of Canada. So the impact of the

restraint program on the universities will depend, to a great extent, on what happens to wage constraint in the private sector and particularly in other parts of the province. If we are put at a serious disadvantage in the restraint year, we may either expect serious losses during that period or we may expect to have to make major adjustments at the end of it.

The final point is that the bill appears to suggest mandated increases for collective bargaining groups which would recognize, for employees earning less than \$35,000, continuation of past programs of merit pay or in-range adjustments. There are many bargaining groups in universities, some of which are certified under the Ontario Labour Relations Act and some are not. There appears to be some ambiguity as to whether all these groups are treated in the same way by the act. In our view, it is essential that all bargaining groups, whether certified or not, be treated in an absolutely equitable way in the legislation.

Mr. Chairman, that is all I wish to say.

4:50 p.m.

Mr. Wrye: Perhaps I could start with your last comment, Dr. Connell, and ask you to just elaborate a little bit on the ambiguity as you see it. Then if I could perhaps, Mr. Minister, ask you to see if you can clarify that matter now while the council is here.

Dr. Connell: I am quoting a briefing which a number of my colleagues had with Treasury staff about a week ago. This matter came up for discussion but it was not resolved at that time. My understanding is that the act provides that merit pay and in-range adjustments for collective bargaining groups will be maintained up to the level of \$35,000 as long as the wage does not exceed \$35,000. That increase will be mandatory for collective bargaining groups. It is our concern that all bargaining groups, whether formally certified or not, be treated in the same way.

Mr. Wrye: Then the merit would be only for the non-union groups. If you do not mind, Mr. Chairman, perhaps we can get a clarification.

Hon. F. S. Miller: The opinion is yes, they are treated the same at this time, Dr. Connell. I would want to see that we clarify that at clause by clause if we have some trouble with the wording.

Mr. Wrye: I have a couple of other matters, first, on the price side. Your brief and your oral comments appear to express some concern with the lack of constraint on the price. Let me start by using the example of the matter of energy costs. What would be the nonwage component or the noncompensation component of your expenditure?

Dr. Connell: The average would be about 20 per cent across the province.

Mr. Wrye: Given that part of it, have you come up with any estimate of what percentage it is likely to increase in fiscal 1982-83?

Dr. Connell: Each year we compile what we call the Ontario university nonsalary price index and we will be doing that exercise shortly. I hope we will be able to have that in the hands of the committee and the Treasurer.

Dr. Monahan: It is between two and 2.5 per cent above the consumer price index as we calculated it in the last couple of years.

Mr. Wrye: My concern is that in the five per cent world the Treasurer wishes to take us into there may be great temptation on the part of the government to pass that world on to you. You are saying that if the one fifth component remains not only at inflation but, as you have suggested, Dr. Monahan, above inflation, that is going to cause some severe new problems for the universities. Is that a fair assessment?

Dr. Connell: Yes, that is correct.

Mr. Wrye: I have one other question. It was a matter that was raised with me by a university president. As I understand it, there were a couple of universities within the system that were caught in the period--the University of Windsor and Laurentian University. There has been a suggestion that one of the problems the universities will face--and you have alluded to it in terms of the private sector--will be the problem of recruiting and keeping staff, even within the university unit.

Of the 15 universities, the Ontario College of Art and Ryerson, Ryerson itself will be constrained in the so-called transition period to nine per cent, whereas I understand the increases were running in the range of anywhere from 12 to 13.5. Is that correct? Do you have any thoughts on that or comments you might share with us? You might give Mr. Biddell some leverage to understand that situation.

Dr. Connell: I think that is a difficult question. There are already significant differences in levels of compensation, speaking of faculty, among the universities. It certainly is possible that if those two universities are held to the nine per cent in the current year, then they might move relatively farther down the scale. I would not think that other universities in the province would deliberately take advantage of that circumstance. The movement of faculty from one university to another is a very long-term operation, so I would not expect any critical movement, but in the long run there would be pressure on those two universities to come back to some equilibrium point within the system.

Mr. Cooke: I think a couple of the things I wanted to raise have been touched on by Mr. Wrye. One of the rationales for this legislation is that those people in the public sector have

relative job security. You did mention briefly in your brief about what has happened over the last decade or so of cutbacks both, I assume, within the academic and non-academic staff of the universities. Could you perhaps elaborate? Do you have any statistics of the kinds of jobs that have been lost and the kinds of courses and numbers of positions affected?

Dr. Connell: We do have quite detailed statistics on numbers of positions for both faculty and support staff in all categories and the faculty data go back a good many years. The support staff data are less dependable and only go back two or three years. I think it is possible to extrapolate from the experience of particular universities. Certainly the greatest attrition has taken place in the support staff area. I think that most of the economies, or the most severe economies, have probably been in the area of physical plant maintenance, cleaning staff, ground staff, tradesmen and so on. That is the area where the greatest compromises have been made in service levels.

I would suggest that probably library staff have been the next most severely affected, although that may have been offset to some degree by increasing automation. There have been many positions terminated on the faculty side too, but with the recent surge of enrolment, that has tended to level off. Faculty have, however, been redistributed from low demand areas to high demand areas, so we have made many new appointments in business, commerce, computer science, and there have been corresponding losses in other areas of lower demand.

Mr. Cooke: It is fair to say, however, with respect to the number of professors on permanent staff with the universities as compared to the number that are now on contract positions, that the contract positions have increased significantly over the last number of years?

Dr. Connell: I think that would be difficult to say. In fact, there has probably been selective termination of those that have been on short-term contracts, so the proportion on permanent staff may actually now be higher than it was five years ago.

Mr. Cooke: How is that? That is not the kind of information I seemed to gather when I talked to university people. You are not bringing in new professors and eventually giving them tenure.

Dr. Connell: In my own university, for example, in the current year we probably made something like 90 new appointments. Of these, fewer than 10 would be of a permanent nature. Perhaps going back three or four years, we probably were making a substantially larger number of short-term, contractual appointments. That number has now shrunk, so overall there may be a higher proportion of permanent staff but just by carry-through with the existing number.

Mr. Cooke: I just want to make sure I understand clearly what your position is on this bill because on one of the pages you seem to say if--I haven't got the exact quote--restraint is

neccesary or judged to be necessary, whoever makes that judgement, then you will support it. Then you provide a chart which seems to indicate that faculty salaries have certainly not been the leaders within the so-called inflationary spiral. Which side of Bill 179 are you on? It should be very clear.

5 p.m.

Dr. Connell: We are not attempting to make a comprehensive assessment of the bill and the contribution that it will make to the problems of inflation and high interest rates. We leave that to you and to the Legislature. If you come to the conclusion that this bill is well-designed to deal with our economic problems with universities, we will support that position. But we do think that those who are responsible for the bill and our legislators should be aware that, at least in the universities, they are dealing with a group of employees who have already experienced very severe wage constraint.

Mr. Mackenzie: The first question I had is one just dealt with to some extent by my colleague, and that is whether or not you really felt the bill was going to deal with inflation. Certainly you would not get that impression from the figures you have given to us and, of course, that is one of the prime reasons supposedly for this bill being before us. I accept what you have said on that, but the other thing that bothers me a little bit, I guess, is I took your brief to be a cautious, qualified with some reservations, approval of the bill.

I would take it that your role is sort of the management side of the universities. I really wonder if a bill like this does not disturb you, where you cannot yourself make a case for it controlling inflation, but you are leaving that pretty well up to the committee or the Legislature or the people that are working on the bill. There are things in it, such as the removal of some very fundamental and basic rights of people; contracts freely entered into and negotiated that are in effect being ripped up; the right to strike removed; the right to arbitrate removed; the variances which you yourself mention in your brief that are going to be caused among some of the lower paid workers; and probably even more so the unfairness due to the expiry dates of a variety of different groups and contracts affecting some historical relationships that will be further damaged. I wonder whether these matters would not have some rather more fundamental concerns for a group of university faculty.

Dr. Connell: We do not take these matters lightly. I do not think any of us favours controls in principle. In spite of the constraint that we have experienced in the recent past, we have found it in most part possible to use the traditional instruments of collective bargaining and collegial government in the process of adaptation, however painful that has been. In my view, measures as extreme as this bill--

Mr. Mackenzie: And as selective.

Dr. Connell: --should be contemplated only in the case of a serious economic crisis. In my view, the economic crisis is serious, and I take it that that is the view of most members of his committee as well.

Mr. Mackenzie: The question then is, are the ground rules valid, that it will deal with inflation and will deal with a number of other items? That is a serious question.

Mr. Chairman: That completes the questions. Thank you very much for your presentation. The next group is from the Ontario Teachers' Federation, Messrs. Sweeney and Meek. Their brief will be number 19. The clerk is taking it around at this time. Would the spokesman please identify the four members?

Mr. Sweeney: Thank you, Mr. Chairman. I am Fred Sweeney, president of the Ontario Teachers' Federation. To my immediate left is George Meek, past president of the Ontario Teachers' Federation. To his left is Bill Jones, the secretary-treasurer and on my right, David Aylsworth, staff assistant.

I would like to thank you for the opportunity to appear today before the justice committee concerning Bill 179. The 102,000 members of the Ontario Teachers' Federation take strong exception to the measures contained in the Inflation Restraint Act. Careful examination of objective evidence can lead to no other conclusion but that the teachers of this province are being treated in an arbitrary and capricious manner. We object strenuously to the abrogation of our bargaining rights and resent being singled out for unwarranted and discriminatory treatment. The teachers of this province, through the Ontario Teachers' Federation, request that Bill 179, the Inflation Restraint Act, be withdrawn.

Wage controls have never been shown to be effective in curbing inflation and definitely will not cure the ills of the economy. What they are capable of doing is operating selectively against one segment of society, the wage earner. What took place under the wage and price control program administered by the Anti-Inflation Board was a significant shift of income from individuals to corporations. In 1975, prior to controls, profits and interest income represented 20.4 per cent of the net national income; by 1979, after the control period, they comprised 24.8 per cent of the national income.

If wage increases in general and public sector wage increases in particular were a major inflationary influence, then it might be possible to rationalize the re-introduction of wage controls, but this is clearly not the case. Wage gains in all sectors of the economy have not exceeded the increase in the consumer price index in any year since 1976, resulting in a 4.5 per cent decline in real wages over that period.

Within the publicly supported elementary and secondary education sector in Ontario, even more restraint is evident. A paper entitled, School Board Salary Settlements in the Context of Public and Private Wage Changes, which was prepared by D. A. L. Auld for presentation to the Ontario Public School Trustees Association in June of this past year, reached the following conclusion about trends in school board settlements in Ontario:

1. Wage increases in this division of the public sector have fallen short of wage increases in the Ontario private sector.

2. School board settlements in Ontario lag behind those in the rest of Canada.

3. In every quarter since 1978 the rate of increase in wages in the school board sector has fallen below the rate of inflation, indicating a cumulative decline in average real wages over the 1978-81 period of more than seven per cent.

4. Over the past two decades the salaries of teachers relative to those in other occupations have fluctuated, with significant gains by those in the primary schools and, with one exception, little change for those in secondary schools.

While there is some evidence that the annual inflation rate may have peaked in late 1981 at 12.5 per cent and that teachers' wage settlements in the first two quarters of 1982 may have matched, or in some cases slightly exceeded increases in the consumer price index, it would be totally unjustified to legislate wage controls on this basis. Even if there were to be a minor gain in real wages during 1982, it would in no way offset the real losses over the last four years.

Thomas Maxwell, chief economist of the Conference Board of Canada, has noted that since wages and prices tend to move more slowly than other market forces on the road to lower inflation, governments may be tempted to legislate controls. He added that if market forces are allowed to operate in the absence of controls, lower inflation will gradually result in lower wage increases.

Wage controls cannot be justified on the basis of demonstrated need. Public sector wage settlements are not out of line with the private sector and they are not having an undue effect on the pattern of inflation. Teachers not only reject the need for wage controls, but also the manner in which they are to be applied.

The right to bargain collectively with one's employer is fundamental in a democratic society. Almost as important as the right is the process, for it is the process that permits the parties to address their respective concerns in a meaningful manner and, in doing so, provide definition to the employee-employer relationship. To suspend collective bargaining rights, even for a limited period, would remove the established mechanism for the resolution of employee-employer differences.

5:10 p.m.

The proposed legislation to restrain compensation effectively suspends all collective bargaining rights. Teachers and trustees should have an opportunity to resolve their respective noncompensation concerns through free collective bargaining. The parties should have access to the processes and safeguards available through the School Boards and Teachers Collective Negotiations Act. Total suspension of collective bargaining would not be in the best interests of education.

In addition to the suspension of bargaining rights, subsection 3(4) permits the denial of due process on any matter which has the potential of adversely affecting the rights of the parties. The tribunal known as the Inflation Restraint Board is not required to hold hearings, nor is it obligated to give reasons for any final order, decision or determination. No provision for a formal appeal mechanism has been included in the legislation.

In response to questions about the thinking that went into this section, a government official responded that it had been designed "to permit the expeditious application of the legislation." He added that "mandatory hearings were not felt necessary." If these statements accurately reflect the government's approach to this legislation, the federation would urge the government to reconsider it in the light of its record of attempting to provide processes to right wrongs for all citizens.

Subsection 14(1) reinforces the need for formal notice, mandatory hearings, written reasons and a formal appeal procedure. Under this section, a school board could reach agreement by mutual consent with its teachers on a number of changes to the collective agreement and then argue against those changes to the Inflation Restraint Board. If a school board were to pursue this course of action, there would be no guarantee that the teachers would be involved prior to being notified of the decision.

Section 19 is designed to protect the intent of the legislation during the precontrol and the control period. Yet, a literal interpretation of the phrase, "entered into or established at any time" could be held to restrict permanently the scope of bargaining in the post-control period.

The legislation suspends bargaining rights for teachers without collective agreements in the precontrol year and then imposes an indefinite compensation adjustment up to nine per cent that invites conflict between the parties. If the legislation must suspend collective bargaining, and hence access to dispute resolution mechanisms, it also should reduce conflict by imposing specific conditions during the period of suspension.

Limiting increases paid to higher paid employees will produce detrimental side effects. Teachers taking upgrading or updating courses not only will be denied any salary credit for their efforts, but will be unable to recover out-of-pocket expenses.

Finally, the absence of an absolute cutoff date for the application of the legislation will invite conflict over the application of the normal collective bargaining legislation after the control period.

As an example, subsection 10(3) of the School Boards and Teachers Collective Negotiations Act provides that, where an agreement has expired, the terms and conditions of the agreement that was in force at the time of giving notice shall remain unaltered, subject to certain conditions. Without an absolute cutoff date for the application of the Inflation Restraint Act, it

is uncertain whether grid and qualification changes would be recognized in the post-controls period.

Wage controls cannot be justified, either in terms of the history of wage settlements or in terms of their potential to cure the ills of the economy. The legislation itself not only suspends bargaining rights and selects against teachers, but also denies due process, promotes conflict and discourages self-improvement.

The Ontario Teachers' Federation urges the immediate withdrawal of Bill 179, the Inflation Restraint Act. Thank you.

Mr. Mackenzie: The quality of the presentations we have had is excellent, as is your brief. I have only one question in the interests of time, and that is whether or not you think a fight through the stages of the clause-by-clause or of the third reading--you cannot do it during third reading in the House, really--over possible amendments, the few we are likely to get through is worth while, or whether the position on this bill should be one of withdrawal.

Mr. Sweeney: I believe that our position has been the same since the bill was first brought into the House on September 21 and our solicitors first looked at it, and that is our free democratic rights to free collective bargaining are being taken away and we feel that no amendments can be brought in to effectively make this legislation acceptable to us, and that the only thing that would be acceptable is that it be withdrawn.

Mr. Wrye: Let me take a bit of a different tack and just ask you this, Mr. Sweeney, because I really would be interested to know the views of your group on this matter. Let me suggest to you a scenario in which, at the conclusion of the public hearings, before we begin clause-by-clause consideration of this legislation, a motion were to be put that the committee simply report the bill, that its view is that the bill should be killed, and that motion is put and defeated, so the bill lives, at least in this committee.

At this point let me ask you, given what I have just read in your brief, and I have seen a number of problems which you have noted as quite specific problems, would you suggest at that point that those amendments should be put, or would you suggest that we simply go back to the House for third reading and leave the bill as it is?

Mr. Sweeney: I think the answer to that was partially stated in my last comment, and that is if you want to make it right I think you had better withdraw it, because I do not think it can be made right. I really firmly believe--

Mr. Wrye: I understand your view, but what I am saying is I am going to put to you the scenario that we have now put this motion to the committee and X number of members of this committee have voted against that motion. I am a member of this committee so I am asking you to help me.

What is your view, what is the view of the OTF, on what we

should do then? Should we simply walk back to the House and call the bill for third reading, or should a number of amendments be put?

Mr. Sweeney: In our view, the only amendment that would be acceptable would be that it be withdrawn.

Mr. Wrye: Okay. Let me ask you one further question.

At the bottom of page 1, and perhaps your research assistant will help us on this, you noted that the interest generated through profits and incomes between 1975 and 1979 moved by some four and a half per cent. Do you have any further updated figures as to perhaps the level of what, percentage-wise, the national income was in 1981 or even to the first quarter of this year?

Mr. Sweeney: First of all, those are from Statistics Canada from national income and expenditure accounts.

Mr. Wrye: I am sure they are; I was just wondering if there any fresh numbers which would indicate any movement either way since that time.

Mr. Aylsworth: It has gone down. In 1981 it was 22.06 per cent.

Mr. Wrye: I guess I should ask one further question. The organization, Mr. Chairman, and through you to the Treasurer, has raised the problem of an absolute cutoff date and presumably a restart to the grid, which was something that I found kind of curious in my reading of the bill. Perhaps you, with these witnesses here, could help us and explain your position on that matter.

Hon. F. S. Miller: I think I will hold my comments until I get to clause by clause. Could I ask a question, Mr. Chairman?

Mr. Chairman: Yes, Mr. Miller.

5:20 p.m.

Hon. F. S. Miller: We talk a lot about it--I have a great sympathy for all the people coming before us, but you made a great point about how you're falling behind. I took the time to get the average salaries of teachers in selected American states and Ontario.

We often compare other groups. If you compare the auto workers, they claim they're well below the American standard.

My figuring is that in US dollars an Ontario elementary teacher on average in 1980-81 was getting \$21,750; secondary was getting \$26,500. I used 80-cent dollars for that calculation. The average in the United States was \$17,000 for elementary, \$18,000 for secondary. I think you'd have to see that we're well above them.

Second, there is no state in the immediate area that exceeds

our averages. I would have to argue that compared to other groups in society where we could make the same comparison, have invidious comparisons, and teachers would have to say they've done relatively better than other professions relative to the States.

Mr. Sweeney: I would prefer to deal with what the other provinces in Canada have done.

Hon. F. S. Miller: I would be glad to. You see 18.5 per cent reductions coming up in Quebec on January 1, don't you?

Mr. Sweeney: I'm sure you don't want to go that route.

Hon. F. S. Miller: No. Obviously I don't want to. I don't know how they'll ever face that, but they're in the position of not being able to pay. That's not a wish. I don't think there is anybody in the Quebec government who is anxious to take that fight on, no matter what they're feeling.

Let's be realistic, you just don't do things like that as a politician, particularly when you've awarded these great increases in the past. They're doing it out of the sheer force of fiscal pressure on them.

I know they went ahead of us. I think that's the one province in Canada where you probably could say that, isn't it?

Mr. Sweeney: That's one of them.

Hon. F. S. Miller: The price of that is the kind of retrenchment you're seeing. That brings on, I think, much more confrontation than we're discussing today. From a relatively fair base we're saying, "Please co-operate with us for a couple of years."

We are not anxious to take on even the fight we have, but we recognize we have a responsibility to the rest of society out there whom you and I get our money from. They are having a tough time and we have the responsibility to stand up and represent them in this group.

It's much easier politically not to do it. I think you'll buy that. It's much easier politically.

Mr. Mackenzie: It also doesn't resolve what you're saying--

Mr. Jones: I have two points, Mr. Chairman. I am a bit disappointed the Treasurer is drawing comparisons with the United States. I think they're two different societies. We have two quite different systems of education and, I think, two quite different qualities of education.

It is likely we have disparities in quality throughout Ontario, but we don't have the kinds of disparities throughout Canada and throughout Ontario that, in my view, exist in the United States.

We do have in the US states that are quite retrograde in their approach to all manner of things, particularly to public servants. As the Treasurer well knows, there are state elections fought in the United States on the basis of whether public servants will be granted the right to bargain. That's the kind of system you have in some parts of the US.

I am a bit disappointed that he would make that kind of comparison. If one wants to go that route, then one has to go the route of looking at the systems in total, relative to the kinds of quality, the kinds of problems, the kinds of students, the kinds of teachers it attracts, the kinds of teacher-education programs and so on.

The Treasurer and I have known each other for some time now and I am really a bit disappointed that he would raise that comparison.

Hon. F. S. Miller: I have to choose my statistics, and you choose yours.

Mr. Jones: What I'm really pleased about is that you're smiling. I was afraid I wasn't going to see you smile today.

The other point that the Treasurer makes is one that we're cognizant of. It's a government bill, but one of the things the government has done is to thoroughly decentralize all systems in the province. It's not the Treasurer who teachers are going to be dealing and working with over the next couple of years. They're going to be dealing with school boards. That's going to be very difficult.

It would be much easier, quite frankly, to deal with you than it would be to deal with many of those school boards. Therein lies one of the basic problems with being able to persuade teachers to accept the bill.

I don't want to belabour the point, but I think the Treasurer should be reminded of that particular relationship that exists.

Mr. Riddell: I'm going to be blunt--

Mr. Bradley: How did Jack get ahead of me?

Mr. Riddell: I am going to be mean and I make no apologies for it. I was a teacher for a number of years and I was mighty proud of it. If I was still in the teaching profession I'm not too sure that I could walk with my head high, adopting the attitude that I have heard in this committee for the time that I have sat here. That attitude seems to be, if rape is inevitable, you might as well lay back and enjoy it.

We have a Treasurer in a majority government that has no intentions of withdrawing the bill. Let's not hide our heads in the sand. The only alternative is to try to make amendments to the bill to make it more equitable and fair. It's a question that I

listen to the New Democratic Party raise until it's getting nauseating, and that is, can you amend the bill?

I believe that anything can be done if you put your mind to it.

Mr. Mackenzie: I've heard the expression that you can't turn shit into cheese, too.

Mr. Riddell: What I was hoping for you people to do was to come in here and tell us how we can amend the bill in order to make it a better bill for the public sector and whoever else may be involved. It's very easy to criticize and, and dear knows, I've been in the opposition long enough to learn that lesson and learn it well. But I would hope that you people, who are well-educated people, would have been able to come in here and make suggestions as to what alternative we might have to control inflation, if indeed price and wage controls will not do the job.

I have not heard one delegation come before us talk about, neither have I heard the party to my left talk about, how you control inflation.

Mr. Cooke: That's garbage. That's just not true.

Mr. Riddell: The party to my left leaves me with the impression that you spend your way to prosperity. That's what they've been telling me in the Legislature.

Mr. Cooke: That's just not true.

Mr. Riddell: So I'm not going to listen to them.

Mr. Cooke: You haven't heard our answers because you haven't listened.

Mr. Riddell: I would like you people--you see, I've got them riled up.

Mr. Piché: It doesn't take much.

Mr. Cooke: Not them, just me.

Mr. Chairman: Gentlemen, order.

Mr. Riddell: I am asking the question, Mr. Chairman. I want these people and other people who are going to come before this committee to recommend ways and means that this government might adopt in order to control inflation. I think you agree with me that inflation is the number one problem in this country.

Mr. Cooke: That's not true.

Mr. Chairman: Mr. Cooke, order.

Mr. Riddell: I happen to believe that it is. I happen to have been born at the time of the last depression and I would hate like heck to think that we would adopt the NDP attitude that we

spend our way to prosperity so we can have another crash, so we can have many more people out of a job than are out of a job right now.

You know, some of us are darn fortunate to have work when you consider all of the unemployed people. Let's have some suggestions as to how we can control inflation and not just come in and criticize the bill.

I'm sure if the minister was to learn of some alternative way of controlling inflation he might take a look at scrapping the bill. But I'm going to tell you as long as there's nothing but criticism about this bill, with no alternatives to suggest, I'm as sure as I'm sitting here that the Treasurer is going to take that bill back into the Legislature and he's going to get it passed by virtue of the fact that we have a majority government, probably due to the fact that some of you put them there. Let's not forget that, and I don't want to get political.

Interjections.

Mr. Bradley: Was that a question or a statement?

Mr. Riddell: You don't have to answer it. I would like to know if they have any alternatives to suggest. If they don't want to answer, fine.

5:30 p.m.

Mr. Jones: I would just make a brief comment. I think Mr. Riddell has quite a valid point, but what he's talking about is a function of government style.

What you're asking us to do is to come and enter into this discussion now that we have a bill that's before us and which is going to move ahead very quickly. The time for that discussion was long before the bill was introduced. No one invited us to come and talk about any of the things you're suggesting should be talked about.

Please, the criticism is quite unfair. We're coming in, reacting to a bill that as he says will obviously go ahead. I don't see how one can have a logical and a rational discussion at this time.

Mr. Riddell: The point I was simply trying to make was that if you were to say to the minister: "Look, if your aim is to control inflation, here are our suggestions. Let's forget about Bill 179. Here are some alternatives that would be more fair and equitable to all of society." But the minister is not getting that.

Mr. Jones: If I may, the timing and the style is all wrong for that kind of approach. We're into a confrontation approach and that's one of the reasons that we're almost forced into taking this position.

Mr. Sweeney: I think the consultative process has to take place before a bill is introduced, not after.

Mr. Chairman: I think Mr. Miller has some clarification.

Hon. F. S. Miller: I would just point out I think the governments in Canada spend more time in the consultative process with groups than anyone else. I think all of you would agree. George, I think you were involved in a committee that the Premier has from labour, management, the academics.

Mr. Sweeney: One question then: how long did you consult with us on this piece of legislation?

Hon. F. S. Miller: I'm just asking now, did we not discuss the problems at the Premier's advisory committee in terms of inflation, unemployment, etc.--not the specifics of the bill, but the kinds of actions one should take? Should we have wage and price control? That came up at times. I meet you also pre-budget.

Mr. Bradley: I'm going to come at this from a slightly different approach in terms of potential amendments.

Mr. Cooke: Do you want a picket fence?

Mr. Bradley: You're always being nasty over there, David. You can't be nasty outside--

Mr. Piché: Nothing new with Mr. Cooke. He's always nasty.

Mr. Bradley: Mr. Chairman, I would hate to have to give the speech I gave in the House the other night talking about how Premier Barrett had ordered the workers back to work, how Premier Blakeney had had to do that, how Ed Schreyer had to cut back.

Interjections.

Mr. Bradley: I don't want to do that. I want to question the people who are here. I will ask questions instead.

Interjections.

Mr. Chairman: Come on, now. We're deteriorating.

Interjections.

Mr. Bradley: I guess I'll direct this to the president, Mr. Sweeney. I understand the position of the Ontario Teachers' Federation in saying that they have not been consulted previous to this bill in any meaningful way. We feel the best possible scenario would be for the government to withdraw the bill and come up with some other kind of economic package.

It is my view the government is not going to do that. I understand that you still wish to hold that position. That's an understandable position because of the degree of opposition you have to this bill.

Let me ask you the following questions then. I'll put it this way: with each of the items that I ask you, would you inform me whether or not you feel that these would be amendments--

Mr. Cooke: Are you going into social work? I'm trying to be constructive.

Mr. Bradley: --which would meet some of the specific objections you have to the bill; not whether you think we should amend the bill or not, but whether you think these amendments would meet some of the objections you have to specific pieces of the bill.

It may be unfair to come at it from that angle, but I'm going to.

Would you feel, for instance, that the bill would have been better, albeit it isn't a good bill, if we were to include Ontario health insurance plan premiums being limited to the five per cent which is suggested as a figure? Would that have improved the bill, if OHIP premiums were limited to five per cent?

Mr. Sweeney: I don't believe it would.

Interjections.

Mr. Bradley: The second question: Do you believe members of the teaching profession would be better off--recognizing the reality of 70 Conservative members, who will, if they wish, put the bill through as it is, but may listen to amendments--if the bill were to be changed to improve the inadequate provisions for supplementary increases for the lowest-paid teachers? Would they be better off if they were permitted, under the legislation, to have a greater increase than would be contemplated in the bill?

Mr. Sweeney: The next question.

Mr. Bradley: The next question is, do you believe it would be a better bill if we were to remove through amendments those measures which unfairly act to reduce pensions for those nearing retirement?

As I understand the arguments you put forward about those who are nearing retirement, would the bill be improved if such action were taken, either by the government, or advanced by the opposition?

Mr. Sweeney: The next question.

Mr. Bradley: The next question is, do you believe the bill would be improved if we were to make amendments which would permit the right to strike or seek arbitration over noncompensation issues?

Mr. Sweeney: The next question.

Mr. Bradley: Do you believe the bill would be improved if we were to similarly allow for the right to strike or seek arbitration for the unsettled 1981 contracts, if there be any in that category?

Mr. Sweeney: The next question.

Mr. Bradley: Do you believe the bill would be improved if an amendment were made to allow for equal treatment of merit increases for all employees?

You have certain people now who, at \$35,000, will not be permitted to go beyond \$35,000 if they happen to be teaching one more year. Therefore you have the years of experience and second, you have your educational requirements. If a person gets a master's degree in education, for instance, it may throw him from \$34,000 to \$37,000. Would the bill be improved if everyone were to be treated equally on merit increases?

Mr. Sweeney: The next question.

Mr. Bradley: Do you believe the bill would be improved if we were to place teeth in the price side of the bill by ensuring that cost pass-throughs and profit increases were not automatic?

In other words, teachers, as is the case with everyone else in our society, must confront a situation where they face increased costs. That is one of the reasons there is always a great resistance to a bill of this kind. If there were some teeth to be placed in the price side, so that there would not be these cost pass-throughs and profit increases on an automatic basis, would the bill be improved then?

Mr. Sweeney: The next question.

Mr. Bradley: If, through amendment, we were to remove the secrecy and ministerial discretion inherent in the present program by providing mechanisms for the public to refer increases to the board, to allow for appeals, to guarantee the right to a hearing of any affected party, and to ensure criteria for judging price increases and written reasons for decisions to be made publicly available--in other words, to make the board more responsive and to provide a mechanism for appeal--would the bill then be an improvement over the one introduced by the government initially?

Mr. Sweeney: The next question.

Mr. Bradley: Those are some of the areas in which I have suggested amendments. I recognize you were not consulted in the first place. I recognize you oppose the bill, that you wish it to be withdrawn.

My question is, with all of the areas I have centred on as potential areas of amendment that we in the opposition are able to advocate that the government put forward--because we are not able to put forward amendments which call for the government to spend money--or, if we in the opposition were to put forward those amendments, would the bill that would emerge be superior to the bill which the government has introduced in the House?

Mr. Mackenzie: We should organize some kind of a coalition. You know we are only going to get the amendments that

the government is going to agree to anyhow. That has already been made clear in Bill 127.

Mr. Riddell: We are not going to lie down, we are going to fight about it.

5:40 p.m.

Mr. Sweeney: As far as all of these questions you have asked are concerned, Mr. Bradley, it is nice to see you have been reading a number of our publications. I think that may be where you got a lot of these ideas. However, I think every one of these questions can be resolved by withdrawing the bill.

Mr. Bradley: So, while I understand your position, I shall ask you the question again one more time, Mr. Sweeney. Would a bill which had these matters for favourable amendments be superior to--if not the ultimate bill you would naturally like--one which has been introduced by the Treasurer?

Mr. Sweeney: I think our response will be the same. We do not want this bill at all. I think that is fairly clear, and I have said that four or five times now.

We do not see that this bill is going to do what it is supposed to do. We think it is supposed to bring down the inflation rate, but we do not believe that is going to happen. Therefore, to take a certain sector of the economy and impose arbitrary wage settlements on that sector of the economy for the purpose of lowering the inflation rate is, in the first place, a false pretence.

In the second place, it has been proven in the past that it has never worked before, and the only people who suffer are the wage earners.

Mr. Mitchell: Mr. Wrye started off the questions, Mr. Riddell followed and then Mr. Bradley. They were all in the same vein. There is, at least in my mind, some confusion.

I thought, from the way the brief was presented and the fact that, within it, the teachers drew to our attention specific clauses--at least four of them--that there was some suggestion in that brief that, "All right, if we accept the fact that something has to be done, here are our areas of concern." I guess the question has now been answered several times in the same vein.

I am confused as to why--other than that I suppose they were for purposes of elaboration--all these specific clauses were mentioned. I gather that was the sole purpose of it.

Mr. Cooke: I think it is time to get on to the next brief.

I appreciate your presentation. I was going to make one point, without being accused of being nasty. We continually get from the Liberal Party--

Mr. Chairman: That is not really a question.

Mr. Cooke: I am just going to ask them if they are aware that if we had had the support of the Liberal Party in opposing this bill, we might have a better chance of getting it defeated and withdrawn? But the coalition is alive and that is why it is very difficult to have this bill withdrawn.

Interjection: Add up the numbers.

Interjections.

Mr. Riddell: What a bunch of nonsense.

Mr. Chairman: That is enough, Mr. Riddell.

Gentlemen, I presume you do not intend to have any answers to that, correct?

Mr. Sweeney: I did not think it was a question.

Mr. Chairman: Thank you for your presentation.

The next group is from the Ontario English Catholic Teachers' Association, represented by Messrs. Kennedy and Murphy and Rev. Kavanaugh.

May I also address the other groups, the sixth and seventh, the Police Association of Ontario and the Metro Toronto Police Association? We will not be hearing you this afternoon. So would you please come back at 8 p.m., rather than have you sitting here for another 15 minutes? You will be first and second on this evening's schedule--I was going to use the words "on this evening's entertainment," but I did not.

Gentlemen, would you identify yourselves?

Mr. Mitchell: Just before you start, there appears to be some confusion as to the time of the session this evening. Apparently there was some notification given out for 7:30. Is it 7:30 or eight o'clock?

Mr. Chairman: It is eight o'clock. I do not know where the confusion came from.

Mr. Mitchell: It was put on our desks in the House and stated 7:30 p.m.

Interjection: It has been changed though.

Mr. Chairman: I believe there was some confusion about Tuesday night, but it is 8 p.m.

Mr. Kennedy: I am Kevin Kennedy, president of the Ontario English Catholic Teachers' Association. To my left is Rev. Frank Kavanaugh, the executive director of the association, and Peter Murphy, a staff assistant with the association. Thank you for the opportunity to present our comments to the committee.

The Ontario English Catholic Teachers' Association, one of the five affiliates of the Ontario Teachers' Federation, represents some 20,000 teachers employed by the Roman Catholic separate school boards of this province.

Should Bill 179 receive royal assent, our members, along with those others covered by section 6 of the bill, will lose their collective bargaining rights for a minimum of one year and, in some instances, two years. Our position with respect to this piece of legislation is clear and unequivocal; we are unalterably opposed to it and urge that it be withdrawn.

The impact and effect of this bill runs counter to the principles enunciated in the International Labour Organization's Freedom of Association and Protection of the Right to Organize Convention, 1948, and the Right to Organize and Collective Bargaining Convention, 1949.

For teachers in particular, this bill is in conflict with paragraphs 82 and 84 of the recommendation concerning the status of teachers. Neither is the bill consistent with the article of the Labour Relations (Public Sector) Convention, 1978.

It is little wonder that such a policy initiative by this government will, as reported in Canadian Transport, lead the ILO to name Canada, in its year-end report, as "an international undesirable" along with such countries as Chile, South Africa and South Korea. We trust the same majority that brought us this bill will be on hand to take their share of the credit for shooting Canada in the foot at the United Nations.

At the risk of narrowing our horizons, but on a happier note, we all recall the pride and sense of achievement this government exhibited following the conclusion of those negotiations that brought us the Canadian Charter of Rights. Regrettably, the euphoria has evaporated and it is business as usual.

The suspension of collective bargaining rights and the right to strike are clearly contrary to the spirit of clause 2(c) of the charter, which guarantees the fundamental freedom of peaceful assembly. Perhaps the government sees this bill as representing "such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society," quoting section 1 of the charter. If that is the case, they have yet to find a spokesman to say so with a straight face.

The objection pales in comparison to the next one we wish to raise. We refer to that Orwellian spectre, the Inflation Restraint Board, unassailable by "any other rule of law," as noted in subsection 3(4). It goes about its business, in camera if such is its whim.

The slightest admission that there could be a denial of natural justice to the parties so ensnared by this board would assure us that, "the principles of fundamental justice," quoting from section 7 of the charter, have not been totally abandoned by the architects of this bill.

It is interesting to examine the reasons this government would introduce such a bill. The government and the Treasurer (Mr. F. S. Miller) believe their actions will help fight inflation by decreasing government demands on the capital market and thus ease pressure on interest rates. This suggests the government's demand for capital creates scarcity which would in turn put pressure on interest rates.

The facts do not bear this out. The province borrows principally from nonpublic sources--the teachers' superannuation fund, for example--and as such is not squeezing out the private sector from the capital market. Further, the province is actually retiring its publicly-held debt rather than increasing it, as is evident from the budget.

5:50 p.m.

Counter to the Treasurer's proposition, while the federal deficit is growing, inflation and interest rates have actually declined. It is significant too that the question of deficit be put in perspective. As a percentage of the gross national expenditure, the deficit of the entire government sector is decreasing and has done so for the past few years.

The Treasurer offered a further reason; that of the demonstration effect signalling an ever-lower wage settlement to the private sector. The signal was unnecessary as there has already been a dramatic decrease in the reported average annual wage increases by Statistics Canada for the second quarter. The public sector does not lead the private sector in wage increases. A recent study by Auld and Wilson for the Ontario Economic Council found "there is no statistical support for the view that public sector wage changes spill into private sector settlements."

The Treasurer sees a major objective of this bill as being to lessen the burden of government on the economy. Minimal success can be anticipated here. The \$440 million that may be saved in the first year would represent a two per cent reduction in projected expenditures. That translates into less than half a percentage point decrease in government expenditure as a percentage of the gross provincial product.

The Treasurer believes he had to act because the public sector increased by 15,000 jobs last year, while the private sector dropped 82,000 jobs. How the increase in the public sector precipitated a loss of jobs in the private sector is without explanation and is left to hang as a fanciful absurdity. The opinion and commentary of authorities on the subject is worth raising at this point.

Professor Frank Reid from the University of Toronto's centre for industrial relations does not think a school of thought exists anywhere that public sector controls are the answer and such a program would only worsen the recession. His colleague, Professor Morley Gunderson, concurs with Auld and Wilson's findings and suspects this program is a lame effort to make the government look as if it is doing something.

Professor Lorie Tarshis, formerly of the University of Toronto, sees this type of program only adding to our troubles. Spending will be reduced by those whose wages have not kept up to the cost of living. This reduced demand, in his opinion, may well lead to more business failures and even greater unemployment.

Ontario Hydro's chief economist, Mitchell Rothman, advises that the overwhelming evidence is that this type of restraint program does not work.

The Globe and Mail, September 23, 1982, suggests "wage and price controls give government something to boast about." We are not impressed.

Part III of the bill, which fails to deal with prices, is so riddled with the word "may" as to be reduced to a creative piece of permissive prose. It serves only to confirm that paper rarely rejects ink.

In summary, the bargaining rights of our members and the whole public sector have been snuffed out in a most discriminatory manner, to be superseded by a piece of legislation that spurns the internationally accepted rights of the public servant and makes a mockery of the Charter of Rights and Freedoms.

Permit us to leave you with an excerpt from a recent statement by His Eminence, G. Emmett Cardinal Carter, on the rights of workers; a more cogent statement we have yet to see on the sad state of affairs public sector employees find imposed upon them. I quote:

"What is clear, however, is that no solution"--to the economic crisis--"can be accepted which abrogates the basic rights of workers to bargain collectively and in some circumstances, to turn to the strike as a final resort... Any economic plan that involves the denial of the rights of one segment of society affects the quality of life of us all and can only make us all poorer as a result."

Mr. Chairman: Thank you. On a point of order, Mr. Wrye.

Mr. Wrye: Under the rules of this committee, will we be forced to adjourn immediately at six o'clock?

Mr. Chairman: If the clock is pointed out to the chairman, yes, that will happen. The Treasurer has advised me he must leave at six o'clock for another matter. He is pushing things as it is. He previously advised me. If you say that--but I cannot read clocks.

Interjections.

Mr. Chairman: Questions, gentlemen? If there are no questions, then-- Sorry, Mr. Bradley.

Mr. Bradley: I have some questions. Perhaps you had the opportunity to listen to the last delegation and to listen to the line of questioning which was put forward. I will try briefly to

follow a similar line of questioning without going through the specific details.

Recognizing your adamant position is that you wish to see the bill withdrawn, that likely you are unhappy because of the lack of consultation ahead of time, which would have been preferable in any piece of economic legislation coming forward, taking into consideration the potential amendments that you have heard me speak of, would you say that if you had to compare--

I will even give you three choices: the first choice is to withdraw the bill, which I would think you would naturally want; the second choice is an amended bill which removes many of the objections you have; and the third choice being the government bill, without amendment. Would you rank those in priority of what you would prefer--one, two and three?

Mr. Kennedy: Obviously, Mr. Chairman, to Mr. Bradley, to us that would be Hobson's choice. We have indicated the position very clearly.

Our brief indicated that we felt a very important priority was a matter of rights and we feel that, certainly, there is something wrong about trying to get agreement to a bill that we believe is inherently wrong on some matters of natural justice.

I take it that all the questions you raised indicated rather more strongly the fact that, in addition to the recognition of some grave wrong in terms of the whole bill itself and the taking away of rights, you recognized that there were individual cases which were very wrong in themselves.

If you want answers, the answers are certainly in the conscience of those people who will be dealing with the matter. In our case, we can do no more than to say that there are fundamental problems with it and we are totally opposed to the bill as a whole.

Mr. Bradley: Recognizing what was often referred to as--at least in the first three months before the Premier (Mr. Davis) told the caucus not to say it any more--the realities of March 19 and that the government has the right to introduce legislation, has the majority to enforce the pushing of that legislation through the House if it sees fit, if it appeared that the government was not going to accept your suggestion that this bill be withdrawn and if amendments were to be put before the committee or the House, would you--

Mr. Mackenzie: The voting (inaudible) some 21, Mr. Bradley--on both votes.

Mr. Bradley: Would you, at that time--

Interjections.

Mr. Chairman: Gentlemen.

Interjections.

Mr. Bradley: Yes. I will try to avoid any reference to that because we would recognize, if we were to adopt that tack you would get the bill that the government has planned for you instead of an amended bill, albeit it is a Hobson's choice. We would get that choice and we prefer, at least, to have an amended bill, recognizing the realities of March 19.

But that is not my question. My question is this: if, somewhere along the line, it appears this government is adamant, that despite the protestations of those who appeared before this committee the government is going to proceed with the bill, is your association, at that time, prepared to comment upon any amendments which would come before the Legislature as to the advisability of their passage or their rejection, as to whether they go far enough or as to whether they actually meet the objections that you have to a specific part of the bill?

Are you prepared, at that time, to comment on the amendments if the government is adamant in pushing the bill through, recognizing your position that they should withdraw it?

Mr. Kennedy: I think the question has the problem that is in the future and I cannot individually answer for the future. But I would doubt that anything which would be done could really deal with the fundamental questions of the right to strike, to arbitration, to all of those basic rights we feel are a part of natural justice which have been offended by the bill. I begin to wonder how that can be dealt with at all.

As for the other matters, you are really returning to your previous list of questions which you posed to the previous presenters and I think they still represent the same thing to me and that is, your growing concern about fundamental inequities affecting individuals. I think we have recognized that already. It was clear in many of the points raised in previous presentations.

We disagree with the bill and we also recognize, further than the disagreement, fundamental inequities for individuals or groups within the public sector. That is something which it is to be hoped perhaps these hearings will make a lot clearer.

Mr. R. F. Johnston: Before pointing out the hour, I wanted to point out one error in your brief. On page 4 at the second last paragraph you suggest that perhaps the Treasurer was trying to make a connection between the growth in the public sector and the loss of jobs in the private sector.

I do not believe that was what he was trying to do at any time. What he was trying to say is that if people are suffering elsewhere, one should have the right and need to learn how to suffer as well. That, I think, was the premise that he was trying to put forward at that time. It is that case of justice and equalization he was trying to put forward.

Mr. Kennedy: If I may comment on that, Mr. Chairman, very briefly, there are teachers in this province in certain areas where the redundancy rate is up to the 10th year of teaching

experience. There are areas that have seen a 50 per cent drop in the teaching population over a number of years.

It is a myth that teachers are unaffected by--the whole question of the protection afforded by being a public servant. That is a comment which has to be said in relation to your correction.

Mr. Riddell: I would question the level to which they are prepared to stoop when the minister is not here to respond.

Mr. Chairman: No, Mr. Riddell.

Mr. Riddell: Well, it gets a little annoying.

Mr. Chairman: Mr. Riddell, you are out of order.

Interjections.

Mr. Wrye: Thank you. I do not have questions of the group, but if I may, before we adjourn, I have been handed a note from the three party leaders.

Apparently they met this afternoon, Mr. Chairman, and the suggestion which emanates from this meeting of House leaders and whips is that tomorrow afternoon, over the weekend and on Monday, the clerk of the committee, with assistance from one or two other clerks and one or two library research staff, will read and group the briefs to reduce the number of presentations without rejecting any brief.

These groupings would be according to logical criteria that appear to the staff reviewers. The groupings would be weighted by the staff allocated to the week's sittings on a priority basis and that would be made available, I suggest, by Tuesday. I gather this is--

Mr. Mackenzie: None of us is bound by that.

Mr. Chairman: I have not seen that. May we discuss this first thing, gentlemen? I have just had an original handed to me.

May we let these gentlemen go? We can discuss this. We will have photocopies ready for everybody.

You have them? Thank you.

Mr. Mitchell: Mr. Chairman, I suggest you not discuss it at the beginning of the meeting because we have delayed some people this afternoon and we--

Mr. Chairman: Could everyone please get here at five or 10 minutes to eight so that we can discuss it without inconveniencing people?

This is for two reasons. The clerk advised me that the people who were scheduled to be first and second and who are now

third and fourth, were more or less assured, because of other circumstances, they would be first and second. So, we are inconveniencing everyone if we are late. Thank you.

The committee recessed at 6:04 p.m.

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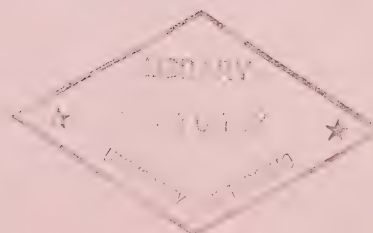
Government
Publications

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

INFLATION RESTRAINT ACT

THURSDAY, OCTOBER 21, 1982

Evening sitting



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

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Substitutions:

Kennedy, R. D. (Mississauga South PC) for Mr. Stevenson
Riddell, J. K. (Huron-Middlesex L) for Mr. Epp
Wrye, W. M. (Windsor-Sandwich L) for Mr. Breithaupt

Also taking part:

Allen, R. (Hamilton West NDP)
Bradley, J. J. (St. Catharines L)
Bryden, M. H. (Beaches-Woodbine NDP)
Cooke, D. S. (Windsor-Riverside NDP)
Mackenzie, R. W. (Hamilton East NDP)
McClellan, R. A. (Bellwoods NDP)
Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics
(Muskoka PC)
Wildman, B. (Algoma NDP)

Clerk: Arnott, D.

Witnesses:

From the Christian Labour Association of Canada:
Kuntz, H., Representative
Vanderkloet, E., Executive Secretary

From the Federation of Women Teachers' Associations of Ontario:
Harrison, D., Provincial President
O'Neil, K., Executive Assistant
Pattinson, M., Executive Assistant
Sigurjonsson, K., Deputy Executive Secretary

From the International Women's Day Committee:
Egan, C., Member

From the Metropolitan Toronto Police Association:
Brennan, P., Labour Relations Counsel
Ingle, L., Labour Relations Counsel
Walter, P., President

From the Norfolk Women Teachers' Association:
Faryniuk, S., President

From the Ontario Public Service Employees Union:
Montgomery, D., President, Chatham-Windsor-Sarnia Area Council
Pflanzner, J., Vice-Chairman, Chatham-Windsor-Sarnia Area Council
Vanier, V., Chairman, Chatham-Windsor-Sarnia Area Council

From the Police Association of Ontario:
Connolly, M., Administrator
Johnson, E. R., President

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Thursday, October 21, 1982

The committee resumed at 7:59 p.m. in room 151.

INFLATION RESTRAINT ACT
(continued)

Consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector in Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Chairman: Gentlemen, can we begin?

Mr. Wrye: Mr. Chairman, we have had a response from the House leaders--

Mr. Chairman: Do you want to get it on the floor and discuss it?

Mr. Wrye: No. I do not think there is a motion to be made. I was bringing to the attention of the committee the views of the House leaders. Perhaps you want to review the comments they have made in answer to our request this afternoon and seek through the committee some direction as to whether we accede to that.

Mr. Cooke: Mr. Chairman, I think this is a positive suggestion. I feel very strongly that if there is an attempt to bring some of the various presentations together then it has to be on a voluntary basis. We cannot impose that on any of the groups.

I think a proposal should be brought back by a steering committee that works in conjunction with the clerk and so forth on Tuesday as to how far and how many groupings we can get. Then if there is a continuing problem, we will have to take a look at other options of how we can give ample opportunity for all the groups that would like to speak to us as of tomorrow when the applications for hearings or appearances before this committee are effectively closed.

Mr. Chairman: You realize that if the steering committee reports back on Tuesday, Tuesday's schedule will already be set. We will only have, in essence, one third of the time left to even decide to come up with a new suggestion.

Mr. Cooke: I would assume that if all parties agreed here today that groupings are what we are looking at, then the schedule Tuesday can reflect that. The steering committee would have the authority to--

Mr. Chairman: But you are saying these are voluntary groupings?

Mr. Cooke: If a group wants to make a separate presentation and it does not want to be included, then I do not think we, as a committee, can enforce that on them. It has to be on a voluntary basis.

Mr. Wrye: If I may speak to that, I think my colleagues would share my view that while in the first instance we would agree with the member for Windsor-Riverside that we cannot force people to join groupings, those individual witnesses would have to understand that in terms of the suggestion of the House leaders--I do not have the motion with me--that we prioritize the groupings, they may fall towards the bottom of the list. There is always a chance they would be lost by it.

I am not trying to be unreasonable at all about it, but I think as long as they would understand that, then I join with Mr. Cooke's view and I would hope the simplest groupings would be worked on immediately by this steering committee and that could be reflected on Tuesday. I do not think we can afford--and you made the point yourself that we will only have one third of the time left--with that little amount of time left, to hear individual briefs where groupings would have been better. I would hope the committee would look for groupings that we can naturally include for Tuesday's session.

Mr. Chairman: So it will be assumed that the clerk and researchers, as suggested by the House leaders, would first contact as many as they could over Friday afternoon, the weekend and Monday to ask those who would to voluntarily become part of a group. After having established that, they would then deal with a steering committee to report back here Tuesday. Is that what you are saying, Mr. Cooke and Mr. Wrye?

Mr. Cooke: I disagree with Mr. Wrye in that you can call it a voluntary grouping, but if you then say that if they do not voluntarily go into a group they may not get on, because we will put them at the bottom of the list, it is not very voluntary. I do not think we can change the ground rules. I think we should encourage them to get into groupings. If they refuse, however, I am not going to be party to dropping them.

We schedule Tuesday accordingly, and if we see we will still have a major time problem, then we have to look at other alternatives. Quite frankly, if you take a look at the number of people that want to appear before us, we are still going to have major time problems that I think are going to have to be examined by this committee in a reference or proposal or suggestion to the House leaders.

Mr. Chairman: I see. Mr. McClellan who is with us is the whip. Is that your signature? Was it intended by the House leaders in the second last paragraph that the clerks and research staff should read and group the briefs? Was it implied that they would group the briefs on an involuntary basis?

Mr. McClellan: How can I put this? It is deliberately vague. The verb the House leaders and whips use is "suggest." That means we are putting it back to the committee with some advice. The committee will have to decide and each of the three groups will have to decide how to flesh out the advice. Up to this point, there were two problems: One, the House leaders were told the committee had already passed a motion asking for an extension of time. That turned out to be wrong and we were operating on a fairly fundamental misapprehension. Second, we thought this was a helpful piece of advice to offer to the committee with respect to trying to work some of this out, but my two committee members are expressing our position with respect to how this grouping should be done.

Hon. F. S. Miller: I think, Ross, you have made a useful contribution. I assume it was believed we would finish within the 33 hours.

Mr. McClellan: Yes, that is correct.

Hon. F. S. Miller: If one talks voluntary or involuntary, one would have to assume we have to see the most groups possible in the time we have. I would argue that groups that have voluntarily gone together would have the weight of numbers on their side and therefore should be heard first. We did it before; it is not something new. I would argue that it is the best use of time and it is the most democratic use of that time. I quite agree you cannot force somebody to be part of a group. I do not know how one would do that, but the risk of not becoming part of a group would be that you have some risk of not having a chance to express your point of view if the time elapses.

Mr. Mackenzie: I think two things are fairly clear, Mr. Chairman. One is that until we have all of the briefs in tomorrow, we do not know the final figure we are dealing with. If, over the weekend, they are grouped as much as can be done on a volunteer basis, we are going to have a much better idea of what we are up against when we start on Tuesday.

There is no doubt, in my mind at least, that we are going to have to make some further recommendation to the House leaders if we are going to see them all. Otherwise, we are literally going to be cutting off a number of delegations.

Mr. Wrye: In discussing it with the signatory from our party, it is my understanding that the House leaders are, as of now, continuing to work under the view that we will have to complete the public hearing aspect of this within the 33 hours.

Mr. Mackenzie has raised the possibility that we may have to look at it again on Tuesday. For now, I think we should simply support the view that we send the steering committee on its way in terms of doing this work and trying to get it done as best it can on the weekend. If there is a very real problem on Tuesday, we will have to look at it again. But 33 hours is my understanding of what the House leaders are still fixed to. We are still looking at 33 hours in total for the public hearings.

Mr. McClellan: That is what the agreement is. Unless there is a decision to revise the agreement, we are operating within the agreement.

Mr. Cooke: Is there a consensus, Mr. Chairman?

Mr. Chairman: Yes.

Mr. Cooke: Let the record show this is the first consensus.

Mr. Chairman: There is consensus that it be only voluntary groupings. That is all that is a consensus.

Mr. Mitchell: I guess I am somewhat puzzled then. Is it the consensus that there be a steering committee? Is that correct? All right. I guess that is the next step that has to be resolved.

Mr. Wrye: The clerk, if I am not mistaken, and the groups the House leaders have suggested--

Mr. Chairman: The clerk, I expect, will go to Mr. Lewis, the Clerk of the House, and ask for the assistance of various people as the House leaders have directed. As Mr. Mitchell says, if the proportional steering committee is going to meet--tonight is the last night until Tuesday--are we going to choose a steering committee or not? It is up to the committee.

Mr. Cooke: I think we have to. The steering committee will have to bring back a recommendation. If we just give it authority to schedule Tuesday, I do not really care what the proportion is. We are just going to do our best to come up with a schedule for at least Tuesday and look at the other groupings, if we have one from each party plus the chairman. Along with the other people that are proposed, the four of us can sit down along with the others. It will be working on the weekend and Monday, and we can have something ready for Tuesday.

Mr. Chairman: What are you doing about proportional?

Mr. McClellan: Mr. Chairman, why not set up a steering committee on a proportional basis with representatives from each party. They can meet on Monday.

Mr. Chairman: The chairman will designate the proportions and who from each caucus will be on the steering committee. Is that what you are saying, Mr. McClellan?

8:10 p.m.

Mr. McClellan: You can choose the proportions on the basis of membership in the House and each caucus can designate whom it wants to sit on the committee. Thirdly, the committee can sit on Monday or sometime before Tuesday. I do not care. You can sit on Sunday morning in the wee, small hours.

Mr. Chairman: Fine.

Mr. Cooke: That is giving the chairman power.

Mr. Chairman: Thank you. That is very dangerous, as you know.

Shall we go on with the group of witnesses from the Police Association of Ontario--Messrs. Johnson, Gilmour and Connolly? Would you identify yourselves, sirs? One of you is not here.

Mr. Johnson: My name is Ted Johnson and the gentleman seated to my immediate left is Mr. Mal Connolly.

Mr. Chairman: Right.

Mr. Johnson: We represent the Police Association of Ontario.

Mr. Chairman: Thank you. For the reference of the committee, your brief is exhibit 21. Carry on.

Mr. Johnson: Sir, in interests of brevity, we intend to just highlight our position, which is enunciated in our brief. I would say, at the outset, we hold you and your committee responsible for us missing the final fireside chat by His Eminence, Mr. Trudeau. Unfortunately, we were not able to hear whether he made any further profound statements with regard to our economy.

I would also say I would like it recorded at this time that we are adamantly opposed to the legislation and we indicated, as far back as August, to the present government that we would be opposed to any type of restraint legislation, particularly if it was initiated as we presently have it on the basis of the federal program. Basically, we face the fact that in a majority government situation, like it or not, we are going to be faced with some type of controls, whether we are opposed to it or not. Those are the realistic facts, as we understand them.

We are going to make submissions with regard to the legislation, as we see it, and some considerations which should be made if that type of legislation is going to be imposed. It is a quarter measure as we see it. Sooner or later the governments of this country are going to have to face the fact they are going to come to the party, so to speak, and deal with the representative groups as individuals and lay the problem on the line and see if we can have some joint resolution, as opposed to imposing legislation which polarizes the positions of the various groups in an adversarial basis.

To go through our particular brief, there are many areas that we believe need to be clarified, and that is the biggest problem as we see the legislation now, namely, it is open to too many and too much interpretation.

The matter of the nine and five per cent itself is a concern because the wording of the legislation is not concise enough. Are

we talking nine and five per cent on salary increases, or are we talking total compensation? There is a vast difference as it applies to the employee groups that have to negotiate on behalf of their members. That is one area which concerns us.

With regard to collective agreement previously established, on this basis, I am advised that Nova Scotia has implemented restraint legislation, but provides no rollback of multi-year agreements, even though they fall within the restraint period. It would strike me that is a wise decision where they are concerned, because in many of the contracts which have been implemented, there have been sacrifices made in certain areas in order to provide benefits in other areas for the employee groups involved.

We have set out certain distinct problems with the legislation as it stands on areas that involve multiple-year contracts. In particular, one area involves a very small force in this province that has an arbitration award which was handed down prior to the restraint and would fall prior to what the restraint legislation covers, only that there is a court decision pending the implementation of that award. These people would now, apparently, if I interpret the legislation properly, be covered under the nine per cent. That would have a very drastic and unfair effect on that particular settlement because the individuals involved have no control over the courts.

With regard to the negotiation of nonmonetary items, we believe that section 15 only pays lip service to the matter of that negotiation. The realism involved there is it is hard enough under the existing legislation to get police commissions, in our case, or management or the employer to the bargaining table under normal conditions. If you make it a "may," that will never happen. It would absolutely never happen. There are too many things involved here. It is a hard enough nut to swallow that we are going to be reduced to looking at a five per cent increase, but to say that there will be no negotiation, which is, in effect, what you are saying, to say that you can negotiate nonmonetary items on the basis of what section 15 provides, is ludicrous.

Our respectful submission is that negotiation of nonmonetary items can only be accomplished if they are subject to conciliation and arbitration. I should point out, at this point, as I am sure you are all aware, binding arbitration has always been the resolution in police negotiations as we do not have the right to withdraw services in a strike action, nor have we ever supported that position.

With regard to additional benefits, the wording of the legislation dealing with additional benefits, or benefits that flow from contracts, if contracts, from the benefit point of view, are to be frozen--and "if" in this case is a very small word with a very large meaning--if that is the interpretation, there are benefits that are ongoing in the contracts and that should be continued. Even though the actual provisions may be frozen, the benefits should not be. We cite the matter of vacation, premiums paid by employers, pension plans and increased life insurance.

In the matter of the pension plan, we have said through other representative groups that potential pensioners are being very much discriminated against by this legislation. By virtue of the pension that the majority of the police forces in this province are faced with, where there is no indexing factor, it would be reduced because it is based on the best 60 consecutive months of service on a two per cent average. On that basis, that reduction could never be made up because there is no indexing factors involved in these pensions; they are fixed. That is a very large concern to our members.

With respect to the Inflation Restraint Board, we can hardly believe the awesome and arbitrary powers that have been bestowed upon this group. Our only concern would be that it be fair and impartial and give us the opportunity of natural justice, which would be, of course, access on an appeal basis, not just arbitrary decisions made on the basis of its investigations.

We are very concerned about the legislation, as most groups are. I think what we have tried to do is address the realities as we see them. Our investigations have been very interesting. We have heard from the experts. The only real facts that have been learned on the basis of expert is the definition, which turns out to be a drip under pressure. I would respectfully suggest that we are not happy with the legislation and we are not happy with the experts who cannot even get their act together.

We would suggest to you that this has been a very serious mistake by government to do arbitrarily what they are trying to do and that they are moving to correct the problem in the wrong way. Rather than take the position that you have now and making the groups reactive, it would have been far better to take a position of making us proactive so we could have sat down and tried to resolve the problem instead of having to combat legislation such as is before you now.

I thank you for allowing us to appear. That is all I have to say.

8:20 p.m.

Mr. Wrye: Mr. Chairman, I have a number of questions. I am going to assume, sir, that since you have highlighted a number of very real problems which you and your members see that you will accept questions along these lines and we can explore them. I will accept it as a given that you believe the best solution is to withdraw the legislation.

Mr. Johnson: That is right.

Mr. Wrye: If that does not happen, then I am going to go from there, if you do not mind.

First--and the Treasurer may disagree with this, and if he does, I would hope he would comment on it--my reading of your views on section 1, on the imposition of nine and five, is as yours, that the nine and five is a compensation package and would

include fringe benefits as well as wages. The total package would not exceed that. That is my view and I simply state that to you. If the Treasurer disagrees with me, I want to clarify that.

Under section 2, collective agreements previously established, perhaps, Mr. Chairman, I could put a question to the Treasurer. I have another matter which I had started to discuss with the Treasurer in front of me, which was an Ontario Public Employees' Service Union matter which had gone to arbitration. While the arbitrator had made a ruling, the agreement was not signed on the date the Treasurer brought down the legislation. It is my understanding in that case, and in the case these gentlemen have referred to earlier, where the arbitration award was down and when the agreement is signed, if it is not subject to further amendment, then it is in place. Is that a fair interpretation?

Hon. F. S. Miller: You know, as I do, that I would have to look at the details of every case, or the board would have to. It was not our intent to have some technical hurdles that disqualified somebody from an agreement that was really made in advance of the September 21 date. I do not think we are trying to catch people with a date. We are going to try to be as fair as we can where both parties had come to an agreement and for some technical reason it may not have been implemented.

I would like to see the facts and figures of each case because I know that one can offer an opinion and then have somebody who looks at the law itself, or the intent or the facts behind it, say, "Well, that is not quite the way it was. These are the real reasons." But assuming it is the way you present it, I would have thought so.

Mr. Wrye: On your section 3, let me suggest to you two potential amendments and see if that will solve the problem which I think you are very correct in raising there, that is, that negotiation on nonmonetary matters, as I read the legislation--and I would have to check the particular section--should be narrowed or, rather, nonmonetary matters should be called noncompensation matters which would narrow it as much as possible and allow all of these matters which may be ultimately monetary to be involved. That is number one. Number two is, having done that, if the right to strike in the case of other unions and associations and, in your case, the right to go to arbitration, were to be restored, would it be your view that on at least these matters you could have meaningful bargaining with the various police commissions?

Mr. Johnson: The only way you could have meaningful bargaining in the police services is to make it mandatory.

Mr. Wrye: Let me see if you agree with me. My concern--and I have talked to a number of union groups, some of which go to strike and arbitration--is the employer may very well not bargain meaningfully. Then, once the control period is over, there will be in nonmonetary items or noncompensation items a large amount of catch-up and that will bring unnecessary and undue rancour into the next round of bargaining because you simply will not have got anything during the control period, even on the

nonmonetary side. You have so rightly pointed to management rights, shift scheduling, grievance procedures and a whole raft of other issues. Would that be your view that the problem you will face is that you will get nothing?

Mr. Johnson: That is right, sir.

Mr. Wrye: On compensation rates, I think these gentlemen raise an interesting point. I would ask while they are here if perhaps the Treasurer could give us--I do not want to debate it--an interpretation of what they have suggested, for example, if they move in terms of seniority from three to four weeks' vacation. Is that a compensation issue?

Hon. F. S. Miller: Where the compensation issue is decided in advance, and you are staying under the terms of an existing benefit, we do not see that as being interfered with at all. We would be giving the nine per cent or the five per cent on the base salary. If you had an improvement, something like a pension benefit, negotiated for everyone in lieu of money, that would be considered a compensation matter which could have been delivered in cash. For example, you have OHIP coverage probably. OHIP may go up from X to Y dollars a year--

Mr. Wrye: Or 17 per cent, whichever is first.

Hon. F. S. Miller: Yes--that would not have been considered an enrichment because you would have OHIP coverage.

Mr. Johnson: That would not be deducted then?

Hon. F. S. Miller: No, it would not come off the the dollar value.

Mr. Wrye: Finally, I guess this is not really a question to you other than I think it is fair to suggest that there will be amendments placed on your comments on the Inflation Restraint Board which, in my view, has far, far too many arbitrary powers and really will not allow for the give and take and any kind of fairness or any kind of due process in the current legislation. Hopefully, there will be changes.

Mr. Chairman: Thank you very much, gentlemen, for your presentation. The next group, the Metropolitan Toronto Police Association, Messrs Walter and Brannan.

Gentlemen, while they take their place, might I point out two things with regard to other witnesses this evening? One of the groups called as the fourth group of witnesses, the Norfolk Women Teachers Association, have offered, if time need be, to amalgamate themselves or group themselves with the third group, the Women Teachers Association of Ontario. I thank them for that. Perhaps the Scarborough Women Teachers Association might also consider it.

Might I also point out that the group called as the sixth group of witnesses is from Windsor. We might consider showing them the same consideration, for distance, etc., that we did last night for the Grey county people.

Thank you, Mr. Walter. Would you identify your friends?

Mr. Walter: Yes, Mr. Chairman.

Ms. Faryniuk: I would like to protest. My name is Sharon Faryniuk and I represent the Norfolk Women Teachers Association. We have made no offer to amalgamate with any group at this time. We would like to present our brief this evening.

Mr. Chairman: Thank you. I was advised--

Ms. O'Neil: I can clarify this matter.

Mr. Chairman: Thank you. Would the lady who has just spoken please give her name into the microphone so as to identify herself?

Ms. Faryniuk: Sharon Faryniuk.

Mr. Chairman: Would you also identify yourself, the lady in the brown suit?

Ms. O'Neil: My name is Kathleen O'Neil. I am with the Federation of Women Teachers, the provincial organization. I have mentioned to the clerk that if we ran out of time at the end and the Norfolk women would be required to return next day, we would be willing to exchange our position, which is earlier on the agenda, for theirs, which was later on the agenda, seeing that they have a longer distance to travel. That was the remark that had been made earlier.

Mr. Chairman: Thank you.

Mr. Walter: I will yield to the teachers from Norfolk. The gentleman to my right is Mr. Lorne Ingle, QC, counsel to the Metropolitan Toronto Police Association, and the gentleman to my left is Mr. Paul Brennan, who is a counsel as well as an economist affiliated with the police association.

By way of a little background, the Metropolitan Toronto Police Association is comprised of 5,400 uniformed personnel in one collective agreement, and we have approximately 1,600 civilian support staff who find themselves in any one of three separate collective agreements, but we are the negotiating body and the agent for all 7,000 members.

The association appreciates and thanks the committee for this opportunity to present some of our views with respect to Bill 179. Of course, if you will pardon the pun, the previous speaker, my brother-in-law Ted Johnson, has made some very valid points. I may, in part of this brief, repeat those, but only because I think that they should be taken note of and be given due consideration by this committee.

We understand that the purpose of this legislation is to assist in the restraint of inflation. We believe that the legislation will not serve that purpose and it is therefore our opinion that the Legislature should reject the whole bill. I would like to outline our reasons for objecting to the legislation.

In the post Second World War era many industrialized countries in the world experimented with incomes policies in one form or another. While the forms of the programs varied widely, the results did not. At best, they restrained wages for a short period and were then followed by wage explosions as the parties once more responded to the natural allocative mechanisms in the economy with catch-up in mind. Of course, that was alluded to by one of the previous committee members. Despite such results, the Ontario government now wishes to embark on a form of highly selective wage controls which, in our view, will not address the problem.

It is our respectful submission that increases in wages and salaries, whether of public sector employees or private sector employees, or both, have not been the cause of inflation. There are many causes of inflation, and one factor tends to dominate in a given instance. Wages, however, are not the villain in the current round of inflation. Indeed, they have not even kept up with the cost of living over the past several years in either the public or private sector.

It follows, therefore, that if the present inflationary environment has not been fuelled by excessive wage and salary increases, limitations of such increases will not resolve the problem. It follows, all the more strongly, that controlling increases of the wages and salaries of those in the public sector, which forms only a small part of the total labour force, will have even less relevance to the matter at hand.

We submit, therefore, that limiting wage or salary increases is a gross injustice to working people, whether in the private or public sectors. The repressive measures being advocated by the government will, in consequence, reduce the purchasing power of those affected. Moreover, the uncertainty it promotes will discourage others from spending. As demand for goods and services falls, so does employment. In fact, the program is almost guaranteed to prolong the present depression.

It may be politically popular to take Draconian measures against those who work in the public sector, but it is a mere sham to give the appearance of doing something about inflation while the real problem remains untouched. In our view, the crux of the matter has to do with confidence, both among consumers and in the business community. This will hardly be advanced by the uninspired act of a government which, in one fell swoop, unilaterally sets aside the collective bargaining process as it arrogates to itself, as the employer, complete decision-making authority in respect of contractual arrangements with its employees. This amounts to the obvious kind of unfair labour practice which one would normally associate only with the most backward employers.

Aside from our basic criticism that the legislation will not--indeed cannot--do anything about the problem which it purports to address, we have some particular criticisms which we should appreciate your committee considering. We wish to stress at the outset, however, that these views should not in any way be construed as acceptance by the Metropolitan Toronto Police Association of any aspect of the proposed wage controls.

As we read the legislation, it effectively freezes, not only those terms of a collective agreement which deal with rates of compensation, but all other provisions as well. It provides a mandatory wage and salary increase of five per cent in most cases, and up to nine per cent in other cases. It is our opinion that the freezing of all the terms of the collective agreement, including those which have no monetary implications at all, does not advance the presumed purpose of the legislation in any respect whatsoever. We strongly urge your committee to recommend amendments to the legislation which will exempt from its effects all nonmonetary matters.

Having sat here this afternoon, the expression of noncompensation matters as opposed to nonmonetary certainly encompasses more, I think, of our thoughts and our feelings. If amendments are to be forthcoming the term "noncompensation", I think, would probably fit our needs more so than what we have described here in our brief as nonmonetary.

The parties may wish to alter or amend or improve provisions in their agreements relating, for example, to seniority matters, to the grievance procedure, to the promotional procedure, to shift scheduling. Even if the Legislature wishes to proceed in this way with the restraints of compensation, the exemption of such noncompensation matters, as we have referred to, would not adversely affect that objective. The parties should be allowed to continue to bargain on such matters. If an impasse is reached, as in the case of the police where a withdrawal of services is not lawful, such disputes should continue to be settled by the conciliation and arbitration process.

We urge, furthermore, that items which were the subject of negotiation prior to the imposition of the restraint controls but are not yet resolved, should also be exempt from the legislation. I would like to stress that particular point. It is very important to us that the legislation--and I hope that when the bill is amended there will be such provisions in the legislation--will exempt previous items which had been the subject matter of negotiations.

For example, the MTPA has, for the greater part of last year, been engaged in a joint study with the board of police commissioners ways and means of implementing a compressed work week. An extensive experiment is being conducted in all of the city of North York, and the vast majority of our members--92 per cent by way of a vote just two days ago--regard the results very favourably.

The study, however, has not yet been completed. The board of police commissioners has expressed some reluctance to implement the program on a force-wide basis. We respectfully submit that studies of this kind, and indeed any other matters which have been under joint consideration by the employer and the association or union and which have been referred to a committee or other joint body for further study and consideration and are not yet resolved, should be negotiable through to final and binding arbitration if necessary, and thus be exempt from the restrictions in the legislation.

Some provisions in the legislation are not, in our opinion, as clear in many respects as they should be. For example, it is not clear whether the definition of compensation rates in clause 4(f) restricts that term to wages and salaries only, or whether the term might be construed more broadly. The minister has been kind enough, with the previous speaker, to expand a little on that particular aspect of concern. I think the clarification has been met here verbally. I think that when the legislation is put before the House, it should be very clear and definite so that there is no ambiguity surrounding those particular matters.

The nine and five per cent limitations on increases in compensation rates, contained in sections 10 and 12 respectively, should be exclusive of and should not apply to increases other than those in wages and salaries, including cost-of-living allowances. The limitations should not apply to increases which are provided for automatically in any compensation plan, such as increases in premium rates for welfare, medical, hospital, dental and life insurance premiums, disability and pension benefits, increases in holidays and vacation entitlement, or any other benefits or perquisites provided for in a collective agreement and which are based on length of service.

If there have been experience surpluses in respect of any insured benefits, they should not be considered compensation as defined in the act. We have situations where, as part of the total compensation package, there are rebates, whether it be on life or disability. I understand that with the Ontario municipal employees retirement system, the employer is going to achieve a substantial rebate from the beginning of 1983.

These moneys were all part of the total compensation package in previous negotiations. I can appreciate the five per cent ceiling the government wants to place on wage increases, but with all due respect, I think those moneys should then be made available and reverted back into the compensation in the way of additional fringe benefits. Then the salary rate does not increase--if that is government's position, and that quite obviously is--more than five per cent. Because of good experience, the employer ought not to reap a particular benefit as a result of it. It should go back to the employee group.

Furthermore, the aforesaid nine and five per cent limitations should not apply to increases resulting from reclassification. Any such increases should not be included in the calculation of additional income referred to in subsection 12(2).

8:40 p.m.

It is noted that the administration of the legislation will be in the hands of the Inflation Restraint Board. Since the restraints are being applied to employees in the public sector, it is our respectful submission that no officer of the public service of Ontario should be a member of that Inflation Restraint Board.

The conflict of interest is obvious. This is particularly important in light of the provisions of subsection 2(4) which provides that any single member of the Inflation Restraint Board may, on authorization of the chairman, determine any matter to be determined by the board itself and for that purpose may exercise all the jurisdiction and powers of the board.

By the provisions of subsection 3(4), the Inflation Restraint Board is given unusual and sweeping administrative and juridical powers. It may ignore the rules of natural justice in certain respects and many of the protections incorporated in the Statutory Powers Procedure Act. These arbitrary powers should be removed. The board and its members should be required to observe all the rules of natural justice.

Mr. Brandt: You commented earlier with regard to any surplus funds that might be available from the Ontario municipal employees retirement system. Are you saying that whatever dollars might be passed on through OMERS coupled with the five per cent--whatever that total, let's say seven per cent--although you're not in favour of the legislation in Bill 179, it would satisfy you, if the bill were passed, to have those transfer dollars, plus the five per cent coupled as a total package? Is that the point you're making? I know you're going to have difficulty answering this.

Mr. Walter: I don't like the word "satisfy," but it would appear to be much fairer to the parties concerned as opposed to an unexpected windfall for the employer because of this type of legislation.

Hon. F. S. Miller: I find that hard to accept. You were asking me a few moments ago to accept that if a benefit already in an existing contract went up in cost, it should not be part of the five or nine. If a benefit in an existing contract goes down in cost, I don't see how you can say you're entitled to the benefit. You can't have it both ways.

Mr. Walter: In our situation, most of the welfare benefits have been negotiated and contracted with our board of police commissioners for a three-year period. There isn't any anticipated increase in cost, but we are looking at the good experience factors both with OMERS, both with the life insurance and with the disability provisions. There are several others with dental and--

Hon. F. S. Miller: I understand that. I'm simply saying that you were asking me to allow a benefit regardless of its cost to remain not part of a package. I'm saying, yes, I agree. It has to be a plus or a minus. The benefit is there. It's put in. If we're not going to consider it when it goes up, we can't consider it when it goes down.

Mr. Walter: As part of a concession or a compromise, the total compensation package could be weighed with regard to any good experience as opposed to additional cost factor over and

above what the legislation provides for. Whatever additional moneys there may be should then revert back to the employee group. I'd be willing to think of that as a reasonable compromise, considering the legislation.

Mr. Brandt: On page 3 of your brief, third paragraph, you indicate you want to include those which have no monetary implications at all. I wonder if you could expand on that comment and indicate those kinds of things that may not have a financial impact. Exactly what are you talking about?

Mr. Walter: Management's rights provisions which are very near and dear to us right now.

Mr. Brandt: Could you be a little more specific with regard to management rights?

Mr. Walter: That the employer act fair and reasonable in all his decisions, that he not discriminate--those types of provisions. We want certain areas with regard to job protection, job security, defining the bargaining unit. There are a great many areas along those lines which are not presently encompassed within our management's rights provisions. They are not a cost factor.

Again, if they aren't resolved this time around, you can be sure that in 1984 negotiations--we take nine months to come to an agreement now--we'll probably take 19 months to come to an agreement.

Mr. Brandt: Is part of your concern losing some of the things you have bargained for in the past? Does Bill 179 have certain arbitrary powers and provisions which you might perceive as being ones in which the government might be enabled to withdraw or take away certain things that you have already bargained for? Is that a concern?

Mr. Walter: Yes. There are a great many items which by the nature of a police collective bargaining or bargaining, as you will, by not having the right to strike--

Mr. Brandt: I've been on a police commission. I wouldn't call it begging, but go ahead.

Mr. Walter: You haven't been on the Metro police commission.

Mr. Brandt: I've sat on the other side of the table and enjoyed every minute of it.

Mr. Walter: I'm sure. There are certain areas which, for the sake of coming to an agreement and having a wage package put into place, albeit they are generally six or seven months after the previous agreement expired, require further discussion. These items are sent to committee. One of those I just described was the compressed work week, but there are a great many other items which have gone to committee and are still being studied by committee.

In the event this legislation is passed as is, the employer, in our view, can just say, "Thank you very much. The committees are shut down and we'll talk to you in 1984." We have some very strong concerns, the major one now being the shift scheduling and the compressed work week. Of course, there is promotional procedure as well. Those could all not die a death but certainly would be put on the back burner. We wouldn't be in a position then to say, "We would like to take it to an interest arbitrator for him or her to resolve."

Mr. Brandt: How do you perceive from your reading of the bill that grievances would be handled under Bill 179?

Mr. Walter: What we're looking at and what we have agreed in previous negotiations was to review our current archaic grievance procedure and to amend that procedure and to bring it more in line with modern day labour practices. Bill 179 would only have an effect of leaving the system the way it is now without us being able to put a proposal before an independent arbitrator for him to rule on, a system we would feel would be a lot fairer to the employee as opposed to the system we now have.

Mr. Wrye: I have one question to Mr. Walter. You made the comment in point 4 of your brief that you didn't believe--and I'll just use one example--that increases in holidays, let's say, a step up for an officer with seniority from three to four weeks' vacation or from four to five, should be part of the compensation package. If I'm not misinterpreting the Treasurer, he has indicated already tonight to the previous witness and in answer to a question of mine, that is not the case.

You have been bargaining collective agreements on behalf of your employees for a while. In bargaining those collective agreements and in costing them out, do you not view a step up in vacation from three to four weeks in the same way as you would view a merit increase for greater seniority or greater education? I'm not sure whether that's in your collective agreement.

Mr. Walter: We do have a qualification supplement.

Mr. Wrye: That's right. In terms of that, as opposed to the strict increase in a monetary wage level, have you not in the past viewed those in the same way? Don't you find it a little strange that this legislation differentiates?

Mr. Walter: Yes. On the ambiguity with regard to the \$35,000 figure and being a compensation rate, most first-class constables earn just slightly more than \$30,000 per year. Of course, their fringe benefits package puts it in excess of \$35,000. Most of our uniformed people are affected by that aspect of the legislation.

In light of what the minister had to say with regard to annual leave, additional weeks holidays, I would think that the same criteria then should apply for both service pay and qualification supplements.

Mr. Wrye: Wouldn't you agree with me that if it doesn't apply it is in a sense double jeopardy?

Mr. Walter: Most definitely.

8:50 p.m.

Hon. F. S. Miller: I'm sure you've read the act accurately and know you can trade a benefit that costs money for cash as long as the total compensation remains constant or vice versa. You can trade cash for a benefit.

Mr. Walter: What I'm hearing you say is that if you wanted to trade, say, a long-term disability provision which costs 0.6 per cent of salary, then you could be looking at a 5.6 per cent salary increase.

Hon. F. S. Miller: That's my understanding, that the compensation package in total may not go up by more than a certain percentage but it is subject to rearrangement by agreement. You could trade it. If it was there already and you gave it up, you could get cash.

Mr. Walter: That's what I'm saying, if one had a particular benefit, something like the United Auto Workers did with their additional days by selling those off for additional dollars.

Hon. F. S. Miller: That's exactly what I'm talking about, yes.

Mr. Wildman: Your initial position is that you would like to see the bill withdrawn?

Mr. Walter: Most definitely, yes. We are also realists as well and we know there is a majority in the House and we know which way that majority is going. I guess we are masters of the art of compromise and we hope we can get some compromise here with the committee.

Mr. Riddell: In that respect you are to be complimented. You are one of the few groups that has come in and actually suggested some amendments to the bill.

Mr. Chairman: Thank you very much, gentlemen. The next group is from the International Women's Day Committee. Could you identify yourself, please?

Ms. Egan: My name is Carolyn Egan from the International Women's Day Committee in Toronto.

Mr. Chairman: Did we have a written brief?

Ms. Egan: It should be here. It hasn't yet arrived. You will be getting it. My remarks will be brief and you'll have our brief.

Mr. Chairman: Fine, thank you. It is coming by someone from your organization?

Ms. Egan: That is correct. My remarks tonight will be brief and I'll be stating principles rather than specifics. You have received many submissions from unions, from federations, etc., opposing Bill 179. My organization supports the position put forward by the Ontario Public Service Employees Union and others as they affect women. We would like to put forward tonight the reasons why we as women take this position.

Mr. Chairman: I apologize, there is confusion and some people don't always pay entire attention. Carry on in a good loud voice.

Ms. Egan: Fine. As I was saying, the International Women's Day Committee of Toronto is a women's organization which has initiated International Women's Day for the past five years in this city, where thousands of men and women from varying sectors of the community, trade unions, the immigrant communities, sole support mothers' groups, lesbian and gay organizations, women's services, neighbourhood organizations, universities and countless individuals have demonstrated a determination to fight for the necessary changes to ensure the equality of women in our society.

The economic situation facing women today is grim. The gains we have won over the last 10 years are under attack as the economic crisis deepens. We view the government's wage control legislation, Bill 179, as part of this attack and we are compelled to state our strong opposition to it.

The issues we raise are real and immediate. Women still occupy a particularly disadvantaged position in the labour force. Over 50 per cent of us work outside the home in full-time jobs, but over 75 per cent of us remain concentrated in low-paying, monotonous, dead-end job ghettos.

On the average, we are paid 60 cents to the male wage earner's \$1 and earn 15 per cent less where we do the same work as men. We face a higher rate of unemployment, lack affordable quality child care, are threatened by microtechnology and are the majority of part-time workers. We do not work for luxuries but because we have to support ourselves and our families. Sixty per cent of single-parent families are headed by women.

Our participation in the work force is growing but our opportunities continue to be limited. From 1971 to 1981 the number of women in the labour force has increased by 62 per cent in the Toronto area. That is 300,000 women. By 1981 the labour force was almost 45 per cent women. Nearly half the job growth has taken place in the service sector. An analysis of the wages paid and the employment categories show the continued discrimination faced by women through job ghettoization and the lack of equal pay for work of equal value.

It is a sad commentary that in our society jobs generally held by women are paid less than jobs held by men, but what is particularly angering is that the efforts that are being made to attempt to correct this inequity have been continuously thwarted by this government. It has enacted equal pay legislation that is woefully inadequate. It has consistently refused to legislate equal pay for work of equal value as has been done by the federal government and Quebec.

The legislation that we have in this province advocates equal pay for doing substantially the same work, which does not speak to the problem that we as women are facing. It has affected only a small number of women workers. In 1981, despite the massive inequities in pay rates, the equal pay program found only 104 violations. It is not dealing with the real situation.

The Minister of Labour (Mr. Ramsay) has stated that Ontario cannot afford to pay for work of equal value, that women will have to wait until times get better. In terms of affirmative action, it has been estimated that the Ontario government's voluntary affirmative action program will take over 13,000 years to reach all Ontario industries at its present pace. We have been fighting for full employment rights and the economic independence of women. We have been fighting against ghettoization in jobs which are undervalued and underpaid.

This government has consistently opposed our efforts, and Bill 179 is another step in this process. You are attempting to ride out the economic recession on the backs of women. We make up nearly half of the Ontario public service, concentrated in the low end of the pay scale, and we will be the hardest hit victims of this legislation. It reinstates percentage increases which widen the wage differential between high and low income earners, between men and women, and lock women into the lower wage scales.

Collective bargaining, because of the intransigence of the government in the legislative area, has been the only mechanism available to us as women in gaining equality in wages and it is now being denied. The cessation of the rights of collective bargaining is a clear attack on union rights, but it is also a clear attack on the rights of women. This so-called government restraint policy is having a devastating effect on our earnings and our attempts to improve our conditions of work.

The rollback of negotiated wage settlements, for example, in the case of office and clerical workers, is a tremendous set back, but this bill also affects all women workers in the public sector in other equally significant areas. Through their unions, women have been struggling for paid maternity leave, affirmative action and protection against discrimination. Under the bill, monetary issues cannot be bargained and women will not be able to negotiate many of these items. The question is, how are we to achieve other nonmonetary items in contracts without the right to strike or arbitration? We can do it only through mutual agreement, and we know through practice that employers will not agree unless they are compelled to do so.

The breakthrough that we have only begun to make will be severely set back if this bill is enacted. There are many examples of how women will be particularly affected. I am not going to go through them all. Pensions would be one. Women over 65 make up one of the poorest sectors in this country. Women facing retirement during the period of this legislation will have their pensions computed on the lower salary levels, which for some, because of the timing of their contract expiration dates, will be a nine and five per cent increase over a two-year period which will considerably reduce the pension. The brief that you will be hearing from the Federation of Women Teachers' Association of Ontario speaks to this.

Many other submissions have spoken in detail to the problems I am outlining, and the conclusions are the same. Collective bargaining is one of the most important mechanisms that we, as women, can use to overcome the inequalities we face. The government, both as legislators and as employers, is playing a major role in denying us our right. You have decided who can strike and when. You can legislate us back to work and now you have imposed wage controls that affect most severely those of us who can least afford it. We feel that we can best defend our right to economic independence and equality in the work force by fighting for our legitimate rights to collective bargaining and our right to strike. So we in the women's movement join with the trade union movement in our vehement opposition to Bill 179. Thank you.

Mr. Chairman: Thank you. The brief is not here yet, is it?

Ms. Egan: No, but I will make sure you have it.

Mr. Brandt: I have a brief question. You indicated that most of the females in the labour force are at the low end of the income spectrum. If there is one area of the proposed legislation that received a great deal of attention, I would suggest to you it was the problem and the concern the government had relative to those at the low end of the income spectrum. In fact, provisions have been made that I am sure you are aware of relative to those who are in a wage category below \$20,000 a year.-

Ms. Egan: The lump sum payment.

Mr. Brandt: The lump sum payment can also be related to a percentile increase. You mentioned nine and five or five and nine in your brief or in your comments, but you did not mention the fact that if someone is earning below \$20,000 a year or is at the \$10,000 or \$11,000 level, which is pretty well the base level for any civil servant that I am aware of, he could earn an increase of eight, nine or 10 per cent and therefore would be catching up, to use your particular term.

Do you not feel that that is a fair provision although you are in opposition to Bill 179? Do you not feel that that is a fair way of approaching the problem of those who are at the lower end of the income spectrum, recognizing that in the proposals that the federal government has they do not have at the moment any provision whatever for the low income earners?

Ms. Egan: I realize that they do not. We do not feel that it is significant enough because we feel that while an effort been made, for different reasons perhaps, it is not significant enough to overset or to deal with the problem. On the whole question of percentage income increases, as opposed to dollar increases, which I think you have been trying to move towards to narrow that gap, although you may have bowed slightly to the lower income people, it has not been significant enough to offset the overall effect. That is our position.

Mr. Brandt: I was trying during your presentation, and I mean this very sincerely, to understand the problem that you are portraying to us from your perspective. I got the impression, although the word that I am going to use might somewhat overemphasize the position that you have taking, that you were almost suggesting an attack on females through Bill 179. I have great difficulty in coming to grips with that. I mean that sincerely. I am not trying to be provocative when I say that. In what way do you think that it is an attack on females?

Ms. Egan: I think that in many of the comments I made women have been moving into the work force in large numbers over the last number of years and they have been trapped in certain job ghettos. They have not been able to be paid for the value of their work. We see that this has been a pattern; it is not an isolated thing. Because this bill has chosen to deal with public sector workers and because public sector workers are almost 50 per cent women, all at the low end of the scale, it cannot escape us that this is a continuation of that pattern because it is women who are being affected in a very severe way.

Mr. Brandt: True, but it does not address things like work of equal value or the problems you touched on during the course of your brief. You say almost 50 per cent are women and therefore-- The mathematics of the situation would suggest that over 50 per cent are men and therefore they are being attacked as well.

Ms. Egan: Sure, but the women are concentrated in the lowest paying sectors of the wage force of the public sector. That is where women are. What we have been trying to do is equalize pay rates and we have been trying to get away from percentage increases into dollar increases to try to equalize that. When there is a situation where you aggravate the existing problem, it is going to continue to keep women on the bottom. Whether that is intentional in your mind or not, it is the effect of the legislation. Therefore, that is why we have to raise these criticisms of it because it is going to put women back.

On questions like maternity leave, I understand that paid maternity leave is viewed as a monetary item, from what I understand. These kinda of demands that women have been raising and have been trying to make breakthroughs on will not be allowed to go forward under this bill. That is why we feel that the momentum in this essence, the breakthroughs that we have been beginning to make over the last 10 years, is being stalled and will be stalled for many over a two-year period because we cannot continue, and it will be put back even further because of the equal pay for work of equal value problem.

Mr. Wrye: Let me pick up first with the notching provisions Mr. Brandt has talked about, which by my understanding would increase the level from five to six and two thirds if, of course, that gets mandated. It is a "may" and not a "shall." I am going to take as a given that you are opposed to the bill and that your view is it should be withdrawn. What I want to explore with you is what can be done to improve the bill, given the realities, and I hope you will accept them, that we are likely to have a bill. I do not think the government has introduced it and gone through second reading with the expectation there will not be one.

As Labour critic, I am particularly sympathetic to your view that women make up 86 per cent those who earn less than \$15,000 in the Ontario civil service and the percentages do not get a whole lot better as one moves above that. If we are talking about that group below \$20,000, we are talking about a huge segment of that 42 or 43 per cent who are women. If the notching provisions were to be particularly close to the rate of inflation, rather than this trivial amount over five per cent, to really try to protect against the ravages of inflation those who are at the lowest end of the scale, do you really think that would be a more meaningful improvement in the bill.

Ms. Egan: I think clearly it would be an improvement in the bill, but we did not come here with the illusion that somehow this is going to change our submission or anyone else's submission or was going to change dramatically what was being put forward. We did want to come here to say that we oppose it and we oppose it in principle. I think that is the point we want to leave with you. We know we cannot change it. We do not, unfortunately, have the power to do that, but we did feel, and this is not the normal place where we function and this is a new approach for us to come forward to make a brief, this was important.

Mr. Wrye: I do hope through your submission that the government members were particularly listening to the plea and to the problem as it involves those at the lowest end of the scale, men or women, but most particularly women because they are by far the largest group. I presume you would automatically believe, because my understanding is that most non-union civil servants are women and are not mandated for five per cent, that that is the very least we could do, to mandate them for five per cent. As you know, the provisions in the bill give those who have collective bargaining agreements five per cent and those who do not, not more than five per cent, but it leaves open the possibility from zero all the way to five. It is kind of the least we can do in terms of a housekeeping effort.

I wonder if I could ask the Treasurer if he could sneak back to his seat while I am asking this because the witness has introduced an interesting thing in terms of equal pay, which I want to suggest to him. He may want to comment on it now, but I think he should comment on it at least at some point. Never mind equal pay for work of equal value--and I agree with you that the minister has done nothing to move on that. But if it should be proven during the control period that in the public sector the present equal pay provisions are not being followed, will those people who then would be affected by that be at least moved to the proper level?

Hon. F. S. Miller: The law on equal pay is clear. It is equal pay for equal work. We can play with the difference in words. There are totally different interpretations. If someone is guilty of breaking the law, I cannot imagine somebody being penalized because the law was followed.

Mr. Wrye: I am worried about all the "whereas's" of other acts.

Hon. F. S. Miller: There is a section in the act, if you look at it, that says, notwithstanding section so and so of the human rights act, etc., which I thought was the section that related to this. I am not a lawyer, as you know. You can go back and check that, but my understanding was that you could not get around protections given in the human rights act or the equal pay act by some technique in this act. If they were given to you in the other statute, they still applied. Some people are in contravention of the law if they are not giving equal pay for equal work today. They could not be excluded from meeting the law just because of this act.

9:10 p.m.

Mr. Wrye: My friend from Huron-Bruce has suggested that there may be at least one instance that he knows of. I hope you will please take note of that because I think that is the least that should be done.

Let me ask you to expand a little bit on maternity leave and those other issues that affect women most particularly and what effect they will have, placed in a compensation package where male-dominated unions might not want to collectively bargain. Do you have any estimate, on a monetary basis?

Ms. Egan: I think the problem we have been running into is not that male-dominated unions do not want to bargain for it. We saw in the Canadian Union of Postal Workers strike last year that they chose to, when there was a very small minority of women, to take advantage of it. The difficulty we have is with the employer who is not willing to negotiate it.

We understand this would be viewed as a monetary item under the bill. So break-throughs like that, and recognizing that women happen to be child-bearing people, that it is a natural function to have children and therefore they should be respected in their working lives, will surely have effect. Women want it, and it is something we have been seeing once the original agreement was made. Other unions have taken it up through arbitration as well as through collective bargaining. But through this period of Bill 179 there can be no such provision, from what we understand.

Mr. Wrye: I have one last question. This afternoon I made a motion in this committee which was ruled out of order. It may be entertained later on. I do not think you were here this afternoon.

I moved that Sally Barnes, the new chairperson of the Ontario Status of Women Council, be requested to appear before this committee to give the council's position on the impact of this legislation as it pertains to women in the public sector in Ontario. Would your group be interested in hearing Ms. Barnes' views of this legislation?

Ms. Egan: Sure.

Mr. Wildman: I have just one question. My understanding of your position is that you are in support of the presentation made by OPSEU with regard to the aspects of their presentation about the effects of this legislation on women, and that you are here because you believe, or hope at least, that the democratic process will operate in such a way that if a large number of briefs are presented requesting something to be done, the Legislature will respond and do that, namely, withdraw the legislation?

Ms. Egan: We would love to see the legislation withdrawn, but I do not think I am under the illusion that is going to be the result of these hearings since you are asking me.

Mr. Cooke: But you are not under the impression that this bill can be amended in such a way as to address the problems that you particularly are concerned with?

Ms. Egan: We oppose the bill.

Mr. Chairman: Is that all, Mr. Wildman?

Mr. Wildman: Yes, thank you.

Mr. Chairman: Thank you very much.

The next group is the Christian Labour Association of Canada. I believe that their exhibit, number 23, has been circulated.

Gentlemen, would you please identify yourselves?

Mr. Vanderkloet: My name is Ed Vanderkloet. I am the executive secretary of the Christian Labour Association of Canada. My colleague on my right is Mr. Hank Kuntz, an Ontario representative.

Unlike the first two delegations tonight, we do represent, at least in this particular submission, very poorly paid people. I also think, somewhat unlike the previous submission you heard, we are intending to be very specific rather than broad-ranging and general. I think you all have a copy of our submission. I plan to read only about 60 per cent of it, and even then not entirely. We very much appreciate the opportunity to come before your committee to voice some of our concerns.

CLAC, for short, for those of you who do not know, is a government-recognized, certified trade union in Ontario and has been for 20 years. In fact, it has been certified on more than 500 occasions by the the Ontario Labour Relations Board. I think we represent approximately 4,500 to 5,000 members in Ontario, a large number of whom are in nursing homes. It is on those that we wish to concentrate. For your information, we represent the employees of 39 or 40 nursing homes in this province.

Referring to paragraph 2 of our submission, while recognizing the need to impose restraints, at least on the powerful and well paid, in a stagnant or declining economy, we are nevertheless opposed to those restraints which would lock the already poorly paid workers into their inferior position. Inflation-fighting programs that victimize workers who happen to be on the lowest rung of the wage ladder are in conflict with the government's duty to promote public justice. We think it is the particular task of the government to see that public justice is done. The government has a special responsibility to protect those who are economically weak and vulnerable.

We think a fundamental shortcoming of the bill is its ad hoc and emergency nature. Our present economic difficulties drive home the need for a more comprehensive incomes policy in which attention is paid to the long-term needs of society and a more equitable distribution of the available income. We recognize that such a scheme would bring us beyond the mandate of your committee and we will not bother you with that too much. At the same time, in view of the urgency of this matter, we attach an addendum in which we do summarize our view as to the overall direction in which government policy needs to be developed in the long term.

Going for a moment to point A on page 2, concerning low-income workers, we are aware that Bill 179 provides that low-paid people are allowed a somewhat larger increase than others, and we heard a little bit from the Treasurer and a few others about that earlier this evening. We are also convinced, however, that these special considerations are totally inadequate and will only accentuate a serious injustice. We will try to be as specific as we can in highlighting what we see as an unjust restriction.

While our union organizes in many sections of the economy, in the construction industry, for example, in recent years we have begun organizing workers in Ontario nursing homes and rest homes. At the moment we represent 39 such institutions in the province. In many of them we have been successful in obtaining, either via negotiations or arbitration, or both, greatly improved wage rates and working conditions.

Nevertheless, we still believe that the remuneration of health care workers is unjustifiably low, especially when compared to the incomes of other public or parapublic employees. We fail to understand why employees in public or parapublic services, such as nurses aides and kitchen help in nursing homes, are considered to be well paid if they make \$7 or \$8 per hour, which is about \$13,000 or \$14,000 a year.

Incidentally, as a side remark, we do not in any way begrudge in any, way, shape or form the fact that Hamilton bus drivers recently obtained a contract making approximately \$30,000 a year. If they are given that kind of an income, however, why do we send home people who do the most necessary work we can think of, namely, looking after the infirm, the aged, senile and retarded people--why are they considered well paid when they make less than half of that? We should seriously search our collective conscience and ask ourselves why we allow full-time nursing staff, members who dedicate themselves to the care of retarded children in this province, to be paid salaries of \$7,500 a year.

This example is a specific one. It actually portrays the situation of a number of employees which we organized late last year, in November in fact, in the Barrie area, and whose employer receives subsidies from the Ontario government. The nurses aides, the kitchen and cleaning staff at this home are paid hourly rates that range from \$3.57 to \$4.29 an hour. We have been negotiating fruitlessly for nine months with this nursing home, and to this very day these are still the rates they are getting.

The contract dispute has now been submitted to an arbitrator. After this thing was drafted, in fact just two days ago, we learned that the arbitrator has now made her award, which incidentally boils down to approximately a 45 per cent increase over two years, which is disappointing to us.

9:20 p.m.

Under the provisions of the bill, these people may be allowed perhaps 15, 16 or 17 per cent, rather than 45 per cent. Implementation of Bill 179 in its present form will make the expected arbitration award null and void for all intents and purposes and allow the employees meagre increases that are, ironically, substantially below what the employers offered during the negotiations.

You will readily recognize that a ceiling of nine or five per cent increases would not only be a travesty of justice to the employees involved, but would add insult to injury in the sense that all of the increases the arbitrator now has awarded, and which the employees should have received a lot earlier--in fact, years ago, but certainly since we got certified in November of last year--will be kept by the employer. He will pocket those increases.

The intent of Bill 179 is to fight inflation, but this is not a matter of inflation fighting, this is a matter of redistribution of income where employees ought to have it but it stays in the hands of the employer. This type of measure is certainly not anti-inflationary, at least in this particular case.

You should know, incidentally, that all operators of licensed nursing homes receive the same level of public funding on a per diem basis from the Ontario Ministry of Health. It may be worth noting, by the way, that this particular nursing home is now included in the so-called triministry project of the government of

Ontario. The ministries of Community and Social Services, Education and Health have combined to make funds available to increase service to the residents--retarded children, that is--in the form of various developmental programs, as well as one-to-one contact with the severely handicapped, young residents. Despite this unusually high level of government participation in the operation of this particular home, the staff has been heavily subsidizing the operation by these low wages.

We are merely singling out the case of the Barrie area employees to illustrate our point. Incidentally, some of you may have seen quite a lengthy article printed in the Toronto Star on October 14 which deals with precisely this home in this paragraph. The Canadian Union of Public Employees contract is the contract we are talking about. We have more cases, although not quite as starkly portrayed, in other nursing homes where wage rates are \$6 and \$7, and even \$5.50 an hour, which are also hit by this type of program.

Situations as described above fly in the face of all that we feel is just and equitable and force a number of the employees concerned to actively look for better-paying employment elsewhere, despite the fact that they not only enjoy their present work, but they are doing work that is of the most urgent and most necessary kind in our society, namely, looking after the sick, the retarded and the handicapped.

As to the next paragraph, I will not spend too much time on it because certainly it has been dealt with this evening already and perhaps earlier today. But we too have some grave reservations about the fact that so-called nonmonetary or noncompensation issues are also limited by the bill. We cannot for the life of us understand why issues--and there are a host of issues--in a collective agreement that are not specifically monetary in character are restricted, as we read the bill to be.

To use an example, we concluded via arbitration a collective agreement in a large nursing home in Woodstock earlier this year. The arbitrator worded most of the agreements and made no distinction in terms of rights between part-time and full-time employees. The nursing home operator, only two or three weeks ago, in a very arbitrary and frivolous manner fired the full-time staff and replaced them with part-timers. You can well imagine what kind of a furore that has caused in the nursing home. In fact, we have engaged in informational picketing, which was reported to the newspapers, because these people found themselves out of a job just like that.

If we cannot negotiate, when the agreement expires, a clause like that, and indeed we cannot it seems under this law, then we feel it is an injustice which has nothing to do with the restraint of inflation.

I would like to read the conclusions and the recommendations which is a summing-up on page 7, if I may, for a moment. It is very short. Any restraint program, we feel, must give special consideration to the plight of low-paid workers. Otherwise, such workers will fall farther behind--that is, if an across-the-board percentage increase is used--a result that will in no way aid the fight against inflation.

Normal bargaining procedures concerning nonmonetary items in collective agreements should not be affected with the provisions of this anti-inflation bill.

Wage rates below a certain level--and I think this is rather specific--should be exempted from the provisions of Bill 179. Specifically, we recommend that the normal process of collective bargaining, including arbitration, where applicable, should be left undisturbed for compensation packages at or below an annual total of \$17,000.

By the way, you may ask how we arrived at the \$17,000 level. The Canada Council on Social Development set the poverty level this year for a family of four at \$16,000 and a special Senate committee set it at \$17,920, so this is approximately in between.

I have one final remark, if I might. I think we are one of the few trade unions that is not in principle opposed to wage restraints. We recognize that in inflationary times, such as today, we have in one way or another to restrain ourselves. If that cannot be done voluntarily, I think it is government's task to step in and do something about it. So, in principle, we are not opposed to it. At the same time, when we use the blunt-axe approach, where a certain percentage applies to pretty well everyone, that inflicts serious injuries on those who already in many ways are victimized because of exceedingly low wages.

I will leave it at that, Mr. Chairman. If there are any questions, I will try to answer them.

Mr. Cooke: Just to make one point, you probably know the case of the Ark Eden Nursing Home was raised in the Legislature by my colleague the member for Bellwoods (Mr. McClellan) and myself last week. I think it is a case that demonstrates very clearly what this legislation is doing in some examples. In effect, we are subsidizing a private owner of a nursing home through this piece of legislation in providing excess profits. It is an extreme case, but none the less it is one that affects very severely some important people in our society.

Mr. Chairman: Thank you. That appears to be the questions. Thank you very much for your brief and for your presentation.

The next group is from the Federation of Women Teachers' Associations of Ontario. Would they come forward, please?

While we are waiting for them, I have given some thought to the subcommittee. If it would be satisfactory with the committee, one, two or four members, plus the chairman, will have a meeting following routine proceedings on Monday afternoon, which allows a certain amount of time on Monday before and after the subcommittee meets.

Would this be in order? Is that satisfactory? The NDP has indicated that sounds satisfactory. Mr. Cooke would be their representative on that subcommittee. Each caucus is then in charge of getting its one, two or four members, and the clerk will let us know where to meet on Monday.

Interjection.

Mr. Mackenzie: One, one and two and the chairman really is plenty, Mr. Chairman. You have got your majority then--

Mr. Wrye: Point of order, Mr. Chairman.

Mr. Chairman: The reason for one, two, four plus a chairman is to keep it in proportion with the House--

Interjections.

Mr. Brandt: The government members may have some difficulty on Monday, Mr. Chairman. They are attempting to add up four members who could be available--

Mr. Wrye: We will send three then.

Mr. Brandt: I do not know whether that will be adequate.

Mr. Chairman: Did you have a point of order?

Mr. Wrye: Yes, Mr. Chairman. I do not want to anticipate the length of this group, but at this point I am looking at the clock and I wonder if it would be appropriate for me to ask, with the committee's indulgence, that the next group up be the group that is sixth on this list.

I do so a little selfishly, I suppose, being from Windsor and with my friend from Chatham and my colleague from Windsor here, but they will have an extreme amount of difficulty in getting back. They will have to fly back and I am just wondering if we can put them up next. If we can get three on--

Mr. Chairman: Except that this is the group from the Norfolk board.

Ms. Sigurjonsson: Mr. Chairman, we are actually the provincial federation with headquarters in Toronto. We would be perfectly happy to have the Norfolk Women Teachers' Association, whose members have to drive home, and the Windsor group appear before we do and we can appear at the end of the evening session if that is possible.

Mr. Chairman: That is very good of you, if you would. Thank you.

Mr. Brandt: Mr. Chairman, just to resolve the earlier issue that we were discussing, I would like to propose that we have two government members meet on Monday with one member each from the two opposition parties, plus the chairman. If that makeup will be satisfactory, we might be able to settle the issue now.

Mr. Chairman: Fine. You do realize that is not proportional?

Mr. Wrye: That is fine.

Mr. Elston: That is fine with us.

Mr. Brandt: Would that meet with your approval, Mr. Chairman?

Mr. Chairman: Yes, it would. Each caucus will name its members. Thank you.

Mrs. Faryniuk, would you carry on, please?

Mrs. Faryniuk: The Norfolk Women Teachers' Association is united in its opposition to Bill 179. Democracy depends on trust. This piece of legislation undermines basic democratic principles. One group of citizens, public employees, has been singled out for discriminatory economic reprisals. We fear that the public will lose faith in a government that chooses to treat its citizens inequitably. Other sectors must be wondering, "Are we next?"

Bill 179 has seriously eroded the belief in Norfolk county that justice is possible for all. There is no justice in bringing 500,000 employees under a wage control program. Further, within the proposed legislation there are inequities caused by the application of the bill to individual teachers. Bill 179 destroys teachers' expectations for equal pay for equal qualifications and experience, an historic feature of the salary grid. Teachers in Norfolk classrooms with equal qualifications and experience are liable to receive different salaries depending on the application of clause 12(5) (d).

As citizens, Norfolk teachers are concerned about inflation. Indeed, if Norfolk teachers were convinced that their salary increases were in excess of the rate of inflation and that those salaries were contributing to the high rate of inflation, then we we could understand some measure of restraint which would automatically be imposed by the marketplace. But teachers' salaries have not been keeping pace with inflation.

Since the 1976-77 collective agreement the Norfolk elementary teachers have negotiated five collective agreements and were in the process of negotiating the sixth for the period September 1, 1982, to August 31, 1983, when the proposed Inflation Restraint Act was tabled in the Legislature.

In three of the collective agreements, not one position on the salary grid increased as much as the consumer price index over the same period. In the other two years, fewer than one half of the grid figures increased as much as the inflation rate. In year six, 1982-83, we are being forced to accept a salary increase considerably below the rate of inflation. Since 1976 the elementary teachers of Norfolk have lost purchasing power--\$1,614 at the maximum of category B and \$1,587 at the maximum of category A2.

We do not understand why our wages are being restrained when we do not appear to be the cause of inflation. Our ability to negotiate with our employer, the Norfolk Board of Education, has been seriously impeded. Bill 179 destroys the basis for free collective negotiations.

As consumers, we are facing rising prices and the proposed price controls will do nothing to soften the devastating effect that these wage controls will have on the economic wellbeing of ourselves, our families and our communities. This bill discriminates against those who have little to restrain. Low wage earners will be asked to do the impossible. Restraining wages of those already economically disadvantaged will not solve inflation. Indeed, this bill, which offers to restrain the cost of a fishing licence as a balance for restraining wages, would seem a bad joke if its results did not appear to hold so much tragedy for those employees in the public sector who are expected to be the scapegoat for this government.

Bill 179 does not create jobs. Instead, it promises hardship, financial and moral, for a segment of society, the public employees, who have trusted in the good faith and judgement of a government that deems it just to punish those who choose to serve in the public sector.

The Norfolk Women Teachers' Association cannot support or tolerate this unjust bill. We urge you to withdraw Bill 179. Thank you.

Mr. Chairman: There appear to be no questions.

Hon. F. S. Miller: There are also no fishing licences.

Mr. Chairman: The Chatham-Windsor-Sarnia Area Council, Ontario Public Service Employees Union, submission number 25. Would you identify yourself, please?

Mrs. Montgomery: Yes, I am Dorothy Montgomery. To my right are Virgery Vanier and Jill Pfanzner, chairman and vice-chairman of the Chatham-Windsor-Sarnia Area Council. I am the secretary of that body.

The Chatham-Windsor-Sarnia Area Council represents about 17 OPSEU locals with a combined membership of about 1,000 people. We are completely opposed to this regressive Bill 179 and demand its immediate withdrawal.

The bill is regressive because it breaks the promises to give the office and clerical workers a raise of 11 per cent next year. That 11 per cent raise was due under the terms of a signed contract, which was just ripped up by the government. What is Bill Davis' word worth?

Bill 179 discriminates against women, who are the lowest-paid workers in the public service. Many of our women members earn far less than \$15,000 a year, and Bill 179 ensures that they will stay in their wage ghettos.

Bill 179 will not create one job. At a time of record unemployment, there is no excuse for the government bringing in this law. In fact, Bill 179 will take so much money out of the workers' pockets that it will make the economy of the Windsor area much worse than it already is.

Consider these facts about the Windsor area: The unemployment rate, at 13.8 per cent in August, is much higher than the national or provincial average. There were 196 plants closed between 1977 and 1981, resulting in the loss of 3,504 jobs. The mayor's committee on services estimated that the real rate of unemployment in 1981 was 20 per cent. One third of the unemployed in Windsor have been out of work for over a year.

9:40 p.m.

The number of people on welfare in Windsor jumped from 6,609 to 8,497 between March 1981 and March 1982, a gain of almost 29 per cent. Direct social assistance payments doubled between 1980 and 1981 from \$5 million to \$10 million. Social service agencies are swamped. The Salvation Army Hostel in Windsor added six beds. Hiatus House, a facility for battered women, served 270 people in 1981, almost double from the year earlier. The Downtown Mission has doubled the number of hot meals it serves in the last year.

The Essex County Children's Aid Society experienced a 40 per cent increase in case load last year. Normal case load increase is 6.7 per cent. Windsor's only meat packing plant has closed, throwing workers on to the street and making meat more expensive because it has to be shipped into the city. May I add here, too, that this government did provide this meat packing company with a considerable amount of money over the past few years.

Small stores and boutiques have been closing at a record rate. The largest furniture store in Leamington has just closed its doors, saying its customers could not afford to make furniture payments because of the high interest rates.

What do the Tories do when faced with this disastrous picture of economic and social decay in the Windsor area? Do they act to control interest rates? Do they act to create jobs? Do they spend more on social services to make up for the economic collapse? No. They control the wages of their public employees, taking more money out of the already slack economy. They make it even more difficult for sole-support mothers to keep a job because of the high cost of child care, another problem caused by Tory stinginess. This government is a cruel government. Only a cruel person could think up the kind of economic punishment the Conservatives are inflicting on Ontario.

Our area of the province is in difficulty. We are looking for some leadership from the government to help bring us out of our trouble. Instead, we get wage controls. Windsor, in particular, is a good example of a whole city pulling together to try to promote economic recovery. Last year the civic workers decided to accept a raise of only seven per cent in order to help out with the revenue problem the city faced. That revenue problem was caused, in part, by massive unemployment in the auto industry, and also by the money that is not being given to the city from the provincial coffers.

How did the Davis government reward the municipal workers for their sacrifices? It kicked them in the ribs when they were down and hurting. Bill Davis has kicked every one of us while we were down. Bill 179 will preserve every existing inequity in pay scales. For example, workers in the paramedical field represented by OPSEU in our area will be making over 40 per cent less than their counterparts in the rest of the province for the next year. The reason is that the rest of the province bargains as a unit; it had already signed and implemented a contract. The Windsor paramedics, psychologists, psychonometrists, child care and social workers, recreational and occupational therapists, medical photographers, pharmacists and their assistants and other medical workers are stuck.

Community college support workers in our area have been trying to catch up to even the lowest paid civil service employees. During their last round of negotiations, the arbitrator recognized that they were entitled to a large catch-up increase during this round. That is all scrapped, thanks to Bill Davis and Bill 179. Thanks to wage controls, the many mothers who are the sole supporters of their children will face real hardship. They will not be getting their raise, of which they need every cent.

Bill Davis says it's all right to control our wages because we have job security, but his employees do not have job security. A friend who works at a chest X-ray clinic told us about the experience of being called into Toronto to find out that the 115 workers at the clinics across the province would be out of jobs. This is to happen on December 10. The closure of the sales tax office in Windsor caused a loss of jobs, as did the closing of the Ontario health insurance plan and other ministry offices that are cutting down. We're worried about our job security.

Public employees are being made the scapegoats for our economic depression. Instead of creating jobs, the Conservatives are more interested in giving millions of dollars to their corporate friends. Someone has to take the blame. Bill Davis thought public sector workers would be an easy target.

We also have had an arbitration award within the civil service which gave pregnant women the right to have subsidized wage pay for the 17 weeks. We hear that the government is withholding that at the present time and that this may also be a part of the five per cent increase. This is something we object to strenuously.

We won't roll over and play dead. We will not end our opposition to Bill 179. We demand that the bill be withdrawn immediately.

Mr. Brandt: I want to ask about some of the figures you put forward with respect to unemployment in the Windsor area. I'm the member for Sarnia, by the way, so I'm relatively familiar with the Windsor situation. Mr. Cooke reminds me of it virtually every day, so I know about it from him as well.

Recognizing that unemployment is a serious problem in Windsor and that unemployment creates a situation where there are obviously fewer people working and therefore fewer people paying taxes or contributing to the overall economy of the province, the question I have is, what do you think happens to the revenues of the province when a situation like that occurs. Do the revenues go up or down? Do you have more money to work with or less money to work with?

Mrs. Montgomery: Naturally we have less money in the coffers, that's for sure.

Mr. Brandt: Okay, the next question I might ask--

Ms. Vanier: Why don't you impose a surtax to cover that instead of doing something like putting controls on government wages.?

Mr. Brandt: On whom? On the rich?

Ms. Vanier: We had a letter from you, I believe, Mr. Brandt--

Mr. Brandt: Yes, you did.

Ms. Vanier: --when we talked to you earlier. We were considering having a forum in Windsor before this legislation came down. In there you certainly weren't talking about exactly the types of things that did come down. We've got it with us. We could quote from it.

Mr. Brandt: I would be most happy if you did. Before you do that, may I pursue what I'm getting at for a moment? I know the letter I wrote to you and I'm quite prepared to stand by that letter. I want to ask you if you're familiar with what's going on in the state that is directly adjacent to you, in Michigan, relative to bargaining with respect to teachers. Perhaps you're familiar with what's going on to the east of us in Quebec and what's happening there in relative terms. Do you know what's happening in those two jurisdictions?

Ms. Vanier: We know a bit about it. I believe the point you're about to make is, "Aren't the Conservatives in Ontario being a little bit fairer than Reagan economics or what's happening in Quebec?" I submit to you that if you were to take a poison--and we consider this bill to be poison--such as arsenic, if you were to take a 50 per cent solution it would kill you. A two per cent solution will kill you, too, so why bring down something--

Mr. Brandt: I want you to know--and I want Mr. Cooke to hear this as well--I took great exception to the attitude of almost venom that was coming out of you when you talked about the government attempting to keep your packing plant in operation in Windsor and the amount of money we've put into Chrysler in Windsor to keep jobs in operation in that particular community.

Mr. Mackenzie: What's going on here, for Pete's sake?

Mr. Brandt: It came up during the brief. The government has been slurred in this brief, and I have a right to respond to that.

Mr. Wildman: The government is slurring all the workers in the public sector.

Mr. Brandt: Oh, sure they are.

9:50 p.m.

Mr. Chairman: Let us keep our voices in a nice, gentlemanly tone all the way through.

Mr. Brandt: I just want to say--and if I can I'll word this by way of a question--the government has attempted to keep jobs operating in Windsor, and it appears you take exception. You put in one sentence in your brief that the government is quite simply giving money to its corporate friends.

The intent of those moneys going to Chrysler Canada Ltd. and the Windsor meat packing operation and to other corporations like Massey-Ferguson Ltd. in Brantford, was to keep jobs. That was the whole purpose of it. I frankly couldn't care what happens to Chrysler or to Massey or to Windsor Packing--

Ms. Pflanzner: Or to us as public servants.

Mr. Brandt: --other than the jobs that are involved. No, I didn't say that. You added that as an addendum to what I just said. The single reason the government invested in those operations was to keep employment at a high level.

Ms. Vanier: It didn't work, did it? They closed down.

Mr. Brandt: It's worked in some instances. Yes, it has.

Ms. Vanier: We're talking about one incident here that did not work and that's--

Mr. Brandt: It has not worked in all instances, I agree with you. That's a chance you take.

Ms. Vanier: We brought this one up pointing out the fact that it did not work in this case, okay?

Mr. Brandt: But it has worked in some instances.

Ms. Vanier: We're not talking about them; we're talking about this one.

Mrs. Montgomery: This particular case.

Mr. Brandt: Perhaps you'd prefer then that the government simply ignored situations such as the one in Windsor with the meat packing plant and allowed them to close three or four years ago. That's what is implied in the brief.

Mr. Chairman: Gentlemen, we are asking questions of the witness, please.

Mr. Brandt: I guess that's my last question.

Ms. Pflanzner: I don't want to read the whole letter. I want one section brought out very clearly. This letter was addressed to me from Mr. Brandt. He says, "A six per cent of \$40,000 income would realize only a \$2,400 increase, whereas a six per cent of \$20,000 increase generates a gross increase of only half that amount." He understands that bread and butter costs exactly the same for all the consumers. That is clear.

He goes on to say, "This being the case, perhaps some arbitrary level of income should be established, perhaps in the \$30,000 to \$35,000 range where six per cent would apply." He goes on to say, "Below that amount, workers be subject to the usual increases under collective bargaining." Where has collective bargaining gone for us?

Mr. Brandt: The government did exactly that.

Ms. Pflanzner: Have you read the bill?

Mr. Brandt: Let me suggest to you that under Bill 179, the points that were raised in my letter, under \$20,000--

Mr. Cooke: Come on, Andy, just accept that you made a mistake in that letter.

Mr. Brandt: No, I didn't make a mistake at all, not one bit. Under \$20,000, the government has allowed an increase up to \$1,000--

Interjection: Seven point two per cent.

Mr. Brandt: Is that not correct? In most instances, if you're earning below that figure, you can earn eight, nine, perhaps 10 per cent. At the \$35,000 I mentioned in the letter--which was before the legislation was introduced--there is a cutoff point for incremental wage increases.

I see nothing inconsistent. The only inconsistent part of that letter, if you wanted to read it, was where I indicated I was in favour of more comprehensive controls which would have to be national in scope and would have to be brought in by the federal government. That would include both the public and the private sector.

I indicated my sympathy for that which the members of the opposition would disagree with as well, but I did indicate that. The rest of it, I think, is quite consistent with Bill 179.

Mr. Wildman: Your style of boxing has a lot of back-peddalling in it.

Mr. Brandt: Not one bit.

Ms. Pflanzner: I only have one statement to say. I clear \$14,000 a year, I'm a widow and I have three children. You tell me, how do I survive?

Mr. Wrye: I have just a comment before I go on. You were here, I think, earlier--you and your group might have been out in the hallway--but you raised a matter in the Ontario Public Service Employees' Union arbitration. I think we're referring to the same one, which has not yet been signed by the government.

The minister had indicated--he didn't firmly commit himself but we'll see as we go on--that because that arbitration came down July 28, while it wasn't signed-- My understanding of the legislation is that as long as it's written as the arbitrator awarded it, it is in place.

Mrs. Montgomery: It has not been implemented, sir.

Mr. Wrye: But it is in place, that's my point.

Mrs. Montgomery: That's right.

Mr. Wrye: My reading of the legislation was--and I think the arbitration would be an extension of this--that where there was a even tentative settlement which had not been ratified, if the local then took a ratification vote, ratified it, and the tentative settlement was so written, that it would be acceptable.

Hon. F. S. Miller: With those caveats in there.

Mr. Wrye: With those caveats, is that a reasonable reading of what the legislation says?

Hon. F. S. Miller: You've added some words in the last section you didn't have in the first section. Lawyers often do that to you.

We were saying we were not trying to catch people who honestly had agreements and for some technical reason were caught out. We were trying to honour properly awarded salary increases where they preceded the dates we set.

Mrs. Montgomery: Unless there's an arbitration award.

Hon. F. S. Miller: I didn't see a problem with it. I put some caveats in because I didn't understand all the conditions. Understandably they are not spelled out to me, but they sounded reasonable.

Mr. Wrye: I would hope that we could clarify that firmly before this committee rises.

Let me ask you about the office and clerical workers. This is not the first time the pay of that OPSEU local has been raised. What are the wage parameters?

Mrs. Montgomery: From about \$12,000 to around \$15,000 or \$16,000. Some of them are lower than that, around \$10,000. We'll say \$10,000 to \$14,000 or \$15,000.

Mr. Wrye: As of now they are subject under the proposed notching to something in the range of six and two-thirds to seven per cent? I heard somebody say 7.25, somewhere around there.

Mrs. Montgomery: Yes.

Mr. Wrye: You just heard the last brief, and it's the first time we've heard this suggestion. I find it an interesting one. It may well solve the problem.

To be quite honest, my prejudices are to be less concerned about those at the top end than those at the bottom. I am very concerned about the bottom. I feel it is absolutely essential that this bill be amended in committee to be much more generous than the levels that are proposed to the bottom. If my friend from Hamilton East wishes to support our amendments, he may.

What was your feeling in terms of restoring full collective bargaining rights on monetary and nonmonetary issues at the lower end? I'm going to assume that you understand the government--maybe you won't admit it--is probably not going to withdraw this bill in committee. If they don't, rather than have a notched effect that may be a large amount, 10 or 11 per cent or whatever, would it be preferable to restore full collective bargaining rights or for us to try to mandate something very close to the rate of inflation?

Ms. Vanier: It would be preferable to defeat the bill and only to defeat the bill. What's the difference whether you drown in an ocean or a swimming pool? You're still going to drown and you can't amend a bad bill or make it good; not one this bad.

Mr. Wrye: With respect, you know, we can close up today and go back and have third reading. Probably some of the government members would wish that. I really hope you understand--

Ms. Vanier: We can defeat the government and any member who--I can exercise my option not to vote. Maybe that's the only thing I'm going to have left.

Mr. Wrye: That's correct, I understand that. Please understand that I comprehend you're from Windsor, you can defeat me three years from now if I don't--

Ms. Vanier: I can't; unfortunately, I'm in the wrong riding.

Mr. Wrye: That will be long after the restraint period is over.

Mrs. Montgomery: Something that is not coming out here either is regarding this \$750 to \$1,000. The person has to apply for this under this bill. The individual person has to beg for the privilege of getting that amount of money.

Who's to say that anybody is going to get it? What did we see in wage and price controls before? There was, in wage and price controls before, an avenue where the lower paid should have got more money. When our union applied to the government to make that for the lower-paid people at that time, the government chose to turn that down.

The same thing can happen again under this legislation. That's poor legislation.

10 p.m.

Mr. Wrye: While the Treasurer is here, I have one more question, if I may. Mr. Brandt referred to the fact this government lacks revenue. I, for one, accept that. It certainly does. I wish Mr. Brandt had accepted that when he bought a quarter share in Suncor, a view the Treasurer opposed.

However, I shall go past that and say to you that the effect of this bill now is to put in the pockets of the Treasurer some \$400 million to \$500 million which he does not have on this date.

What would be the views of the workers you represent among the public sector workers in this province, if the government were not to pour every nickel of the savings, should this bill pass--I am going to assume it will pass, they have 70 members--

Mr. Mackenzie: Ninety-seven members.

Mr. Wrye: They have 70.

Mr. Mackenzie: When the votes have all been counted, they have--

Mr. Wrye: I will pass on that. I think the question is a little more important.

Mr. Bradley: Why do you not just put a sign above you there?

Interjections.

Mr. Wrye: If the bill was to pass, and the government did not take that money and pour it back into getting that 15 per cent of the people of Windsor back to work, people who have been out of a job for two years, what would be the opinion of the workers, even given that they oppose it? What would be their view?

Ms. Pflanzner: What was the question again?

Mr. Wrye: What would be their view if the government didn't take all the money they are going to save back into job creation in this province?

Mr. Wildman: The money they take from you they give to someone else--

Ms. Pflanzner: Yes, the doctors. That is a joke.

Mr. Wrye: What would be your view if the doctors are not included then? I shall give you two questions.

Mr. Chairman: Participation is not permitted out there. If there are smart cracks from the members, I guess they are to be excused, but please, not out there from others.

Ms. Pflanzner: It is acceptable for you guys to act bad, but not for us?

Mr. Chairman: Those are the rules of the House. As silly as they are and as bad as that sounds to the kids coming in here, yes, that is correct, unfortunately.

Ms. Pflanzner: I do not believe you will ever see the money all being poured back into job creation. Taking \$1,000 away from me a year is not going to make my kids any happier, it is not going to put them through college next year.

The Liberals talk about amendments. I have three suggestions. Do you want amendments? Number 1 should be, no wage controls; number 2, we should have the right to strike; number 3, free collective bargaining should be instituted. Then the rest of the bill can stay.

Mr. Brandt: You are probably sorry the Liberals voted in favour of this bill up to this point, are you?

Mr. Cooke: It is difficult to ask questions because their position is so entirely and completely correct and clear.

I would like to congratulate you on one aspect of your brief that we have not had in some of the others. The point you are making is that in a city like Windsor, most of the layoffs and job losses that are now occurring are in the service sector. The reason we are losing on the service sector is the lack of consumer buying power. I believe 41 restaurants have gone bankrupt in the last couple of years.

A bill like this will take out more consumer buying power from a city like Windsor and it will do nothing to promote a recovery in that city or any other place in the province.

Mr. Allen: I should like to ask the delegation a question with respect to Mr. Wrye's questions to you. In your estimation, does this bill say anything about any of the money saved by the bill and its application being poured back into job creation in your area or anywhere else in the province?

Ms. Pflanzner: No.

Mr. Chairman: Ladies, thank you very much for your presentation. May we have the next group, from the Federation of Women Teachers' Associations of Ontario?

The brief is exhibit 26. Ladies, thank you very much for your generosity in permitting the other people to precede you.

Would you identify yourselves please?

Ms. Harrison: I am Doris Harrison, the provincial president of the Federation of Women Teachers' Associations of Ontario. I am going to ask some of my members if they will speak about the details of our objection to Bill 179.

On my left is Kay Sigurjonsson, deputy executive secretary, who is also in charge of our collective bargaining. On my extreme left is Mary Pattinson, who is our expert on educational finance. To my right is Kathleen O'Neil, who is a lawyer in our collective bargaining department.

I want to begin by saying a few words about our membership and how they are feeling about the bill.

We represent the 30,000 women teachers in Ontario's elementary public schools. I think it is safe to say that our membership is socially conservative. At least it is true that most of them tend to be trusting of governments and to take it as a matter of course that governments will try to act in the best interests of the people. Their first instinct is to believe there must be some good reason for legislation, even if they are the victims of it.

People like our members are slow to anger; but governments forget, at their peril, that when people like us are betrayed, our anger is slow and deep and long lasting. I suppose we are the sort of people who are described, sometimes patronizingly, as the salt of the earth. That means we are the sort of people who support the institutions of our society, but it also means we must be able to trust, to have faith in these institutions, including government.

I have been out around this province for the last months, talking to teachers, and everywhere I have found the same thing. When they first heard about Bill 179, they thought it did not sound really fair, but that something had to be done about the economy, and maybe this was the price they should be willing to pay. But when they look at the bill in detail, and when they find out who else is covered by it and who is not covered by it, and when we talk about the real problems in the economy and the fact that this bill is not going to solve them, then teachers begin to feel betrayed, and slowly their anger is growing. With anger comes bitterness and cynicism. Another blow has been struck against one of the institutions we used to trust.

These terrible times demand all the co-operation and all spirit of sacrifice that a society can muster. When governments act cynically to play one group of workers off against another, to let private sector workers believe that public sector workers are fat cats, to try to palm off a piece of legislation that will hurt but will not help, then out there, out in the province where the trust and sacrifice will be called for, there will be only cynicism and a sense of betrayal. Government itself will have destroyed the trust the Prime Minister, among others, tells us is essential to economic recovery.

Times of social crisis like this have unpredictable social

consequences. Governments cannot afford to tear the social fabric in the way this bill may do, or there can be no predicting of the consequences. I am not talking of revolution, but of apathy, demoralization and despair. Legislation like Bill 179 is a part of that destructive process.

Ms. Sigurjonsson: I should like to speak in some detail about the philosophical objections of this federation to Bill 179. Much of the objection you have of course already heard from other teachers' federations and from unions. In fact, when listening to the last presentation, I really wondered whether we have anything else to say.

One of them tells you she is one of your public servants, one of ours, who earns \$14,000 a year, is a widow and has three children to support. Our society, it strikes me, is morally bankrupt if the only solution we can find to our economic ills is to put a five per cent limit on her wages.

However, we do have some other things to say. I suppose the experience we have just been through, listening to the briefs this evening and those we listened to the other night when we were here, are a kind of background for what is, I think, our justifiable fury about this bill.

You have our brief before you. I do not intend to read it all, but I will read parts of it to give you the major objections of the 30,000 women we represent.

We want to say to you in the strongest possible terms that we believe Bill 179 to be dangerous, authoritarian and socially divisive. We believe, furthermore, that it will be ineffectual in a battle against inflation.

If Bill 179 were only ineffectual, the Ontario government could perhaps be forgiven for responding to public opinion by appearing to be doing something about the economic disaster which besets us; but Bill 179 is worse than futile. It will hurt thousands upon thousands of workers whose wages did not cause inflation. It will hurt some workers who are very badly paid. It will cause division in a society already cracking under the strain of tragic unemployment and fear of the future. Interest rates will not decline as a result of Bill 179. Unemployment will not be reduced, and may, in fact, increase.

In rejecting Bill 179, we speak out of concern, not just for our members and in fact not primarily for our members, but for many other workers in the public sector. We speak as relatively prosperous women, and most of all for the low-paid women workers covered by this legislation. We speak in solidarity with the woman from International Women's Day who spoke to you this evening, and with Organized Working Women. You will be hearing from the Equal Pay Coalition. We speak for those women as part of the women's movement.

We also speak, of course, in defence of the fundamental right to free collective bargaining, because we believe, with other cynics who have spoken to you this evening, that you are not

likely to withdraw this bill, and we do not think amendments are going to save it. We believe, however, that free people must not abandon their own rights or allow the rights of others to be trampled, and that this defence of freedom must take place in bad times no less than in good.

Bill 179 is unjust, as you have been told over and over again, because it applies only to a selected group of workers, because among those workers are some of the lowest-paid people in our society, and because those low paid are mainly women, who are already economically disadvantaged because of the dismal failure of our equal pay laws. The result of imposing these controls on 12 per cent of the work force will be bitterness and division and a feeling of exploitation and discrimination.

When I first read Bill 179, I happened to be reading at the same time the 19th annual review of the Economic Council of Canada, not a group of wild-eyed radicals, but they warned that in assessing controls as an option, it is important to realize that they entail very high economic and social costs.

Controls could also be very divisive; income distribution could increasingly come to the fore as an issue. If it has not come to the fore in these hearings, then you people have not been listening.

The Premier (Mr. Davis) has said he recognizes that singling out the public service is inequitable. The Minister of Labour (Mr. Ramsay) has said he finds the bill philosophically objectionable. But still they are prepared to support restraints on one sector of the work force where typical wages are the kind you have been hearing about: \$15,000 for women office services workers in the Ontario Public Service Employees Union, almost \$16,000 for women clerical workers, and maybe as low as \$7,000 or \$8,000 among the people represented by the Canadian Union of Public Employees, who have spoken to you earlier.

Are these the people responsible for inflation? Are these the wages our society is prepared to restrain in order to solve our economic problems? We would be ashamed to be a part of such a society. Let no one insult the intelligence of Ontario's citizens by expecting them to believe that holding down wages like these will contribute one iota to the solution of our financial woes.

Women who are members of our federation have the benefit of equal pay, though not of equal opportunity. But other women in the public service are paid wages which are 20 or almost 30 per cent below the wages of men in the public service.

As you have been told over and over again, because this bill allows for percentage increases its effect will be to widen the gap between the lowest paid and the better paid and between women and men. We were very far from achieving equal pay in this province before Bill 179. We are further away now.

One of the most deplorable aspects of the bill is the denial of a fundamental right in a free society, the right to free collective bargaining. To teachers real collective bargaining is a

very recent development, but it was won, not after the bitter struggles of other unions, but nevertheless after some upheaval, some unauthorized strikes, some marches and demonstrations and agitation, and seven years later, as though those rights were not significant, they are to be taken away from us and of course from hundreds of thousands of other workers in the public sector. We cannot accept the excuse that the economic situation justifies denial of basic rights.

It is easy in a society like ours to support freedom in good times. The test of our commitment to free institutions is how we guard them in bad times.

Not only are 500,000 workers to be denied the right to bargain, to strike or to seek arbitration, but freely negotiated contracts are to be invalidated. It is inconceivable that the Ontario government would regard any other sort of contract as anything but sacrosanct. Are we to conclude that this government believes that only contracts with workers are not worth the paper they are written on?

The most basic feature of bargaining rights is a requirement for the employer to meet with bargaining agents, to bargain in good faith and make every reasonable effort to make an agreement. That comes right out of your legislation.

As a necessary adjunct to this basic right, dispute resolution mechanisms are provided. The Inflation Restraint Act removes both of these very basic rights and in so doing effectively obliterates public service bargaining rights for the period of the controls. Even if we were to accept the wage control portion of this bill, which we emphatically do not, we would decry in the strongest terms this obliteration of bargaining rights.

The McRuer commission appointed in 1965 to inquire into civil rights in this province reported in 1968 with extensive recommendations which were accepted by the Progressive Conservative government of the day and incorporated into the Judicial Review Procedure Act and the Statutory Powers Procedure Act. The Inflation Restraint Board runs afoul of these recommendations in several important ways and we would be glad to expand on those if you like.

No one would deny that an economic crisis exists in this province and in this country. What most economists do deny, however, is that public sector wage restraints will contribute in the slightest degree to ending the crisis.

The Premier himself has said repeatedly in the Legislature that high unemployment and high interest rates are our major economic problems. We agree with the diagnosis. The prescription, however, is more likely to kill than to cure. How are high interest rates and high unemployment to be reduced by rolling back the wage increases negotiated for nurses' aides and teachers and secretaries and cleaners?

One of the major effects of this policy will be reduction in consumer demand, taking money out of the pockets of one set of

workers will hurt, not help, the workers who produce and sell products because public sector workers will no longer be able to buy. The Ontario Treasurer (Mr. F. S. Miller) tells us that hundreds of millions of dollars will be saved by this program, but it would be more accurate to say that those hundreds of millions of dollars will not be spent on consumer goods. We find it hard to understand how the producers of those goods should be grateful for this action.

The Treasurer has spoken about the reduction in the provincial deficit which may be achieved by this economic policy and in fact opposition parties have been unkind enough to suggest that reduction of the deficit may be the only reason for the introduction of Bill 179. However, I quote again from the annual report of the Economic Council of Canada on the subject of, in this case, the federal deficit, advice which might equally apply to the provincial government:

"In a period of recession it is the government's responsibility to run large deficits in order to maintain economic activity and employment. We stress," says the Economic Council, "that the increase in the deficit must be accepted, that government should not be expected to meet its objective of deficit reduction during a recession."

10:20 p.m.

The Economic Council also advises, incidentally, that wage and price controls should be used as a last resort, "only if wage inflation were to spiral dangerously upwards." There is, of course, absolutely no evidence of such a spiral in the Ontario public sector.

Finally, and perhaps most distressing, while wage controls which will not help the economy are being tried, the real problems of the economy continue. I notice that two or three of the briefs you have heard have quoted, though not at the same length I intend to, from John Crispo of the University of Toronto on the subject of controls.

He said: "If anything, controls and guidelines are used to distract public attention from the very real and tough fiscal and monetary measures that are usually required. In this respect these policies might well be described as an exercise in political fraud. The fraud is made worse by the public having been conned into believing that such policies actually can solve inflationary problems. But the worst thing about controls," says Dr. Crispo, "is that they deal with the symptoms rather than the sources of the problem."

I want to mention very briefly the economic reality for teachers and as I have said before we speak not primarily out of that concern but I would like to dispel a myth, I think, that people have about the incomes of teachers. We speak, of course, on behalf of women teachers who don't, on the whole, make salaries of \$40,000. In fact, only four per cent of our members make salaries over the mystical figure of \$35,000.

It is clear that the great majority of members of our federation are relatively low paid--not compared to the people you have heard from OPSEU, but compared to the kinds of salaries which the newspapers always publish, which are only the tiny percentage of the people at the very top in the teaching profession.

Four per cent earn over \$35,000. It is clear they need increases that correspond with the CPI increases in the cost of living if they are to buy even essentials. Since 1976 only 48 of our 385 agreements have contained salary grids in which the grid figures increased by at least as much as the rate of inflation. How the results of teacher bargaining can be considered inflationary is puzzling, to say the least, and there is no evidence that the wages of other public sector workers have been any more inflationary.

It has struck me since we wrote this brief, incidentally, that in the months since this bill has been introduced, the economic problems of the country have changed. Interest rates are on their way down. We all understand the political reasons, of course, with mid-term congressional elections in November. They may be on their way up after that again and maybe that is not a permanent turnaround.

Inflation is on the way down, and as you will have noticed from yesterday's Statscan report, although the year-over-year increase is 10.4, the annualized increase if this continues is 6.4.

The intractable problem that remains and that is not addressed in any way by this bill is the tragic rate of unemployment. I think, and it is really an afterthought, because this did not occur to us when we were writing the brief, if these things had not happened I think the government would be fully justified in starting over again because the problems have changed.

I want to finish and I notice we have only a couple of minutes left. I want to read to you a letter that we sent to Premier Davis a couple of weeks after this bill was introduced, because it sums up fundamentally what I have been saying to you.

"We read very carefully your statement and Mr. Miller's when you introduced legislation to control the wages of public sector workers. We have followed very closely the debate on Bill 179 trying to find from you or members of your caucus some economic justification for your action. We can find none.

"You say repeatedly that high interest rates are the major cause of inflation and that severe unemployment is the problem our society should be trying to eradicate. We cannot understand how either of these problems will be solved by restraining the wages of public sector workers, among whom are people who are the lowest paid in society.

"We protest this unjust legislation. Teachers are prepared to make sacrifices for the good of the country, but if their sacrifice is pointless, they will understandably be bitter. But it

is not only for teachers that we protest. The lowest-paid public sector workers, most of whom are women, should not be called upon to bear any greater economic burden than they now do. We ought to be deeply ashamed, as a society, of the wages we pay to some of our employees; the least we can do is not ask them to bear a disproportionate share of the responsibility for fighting inflation.

"We appeal to your sense of decency in asking you to withdraw Bill 179 in favour of job-creation programs and other economic measures which will not penalize some of the poorest members of society."

Ms. Bryden: I certainly found the brief of the federation very thorough and very forthright in that it made two very important points. You referred to the attack on fundamental rights and freedom of association in collective bargaining and it is all the more shocking to have those rights attacked just after we have adopted a Canadian Charter of Rights which reaffirmed them.

You referred to the tearing up of contracts affecting workers as being something that is tolerated by this bill but would not be tolerated in any other area. It is also true that this government has passed many laws to protect people who contract from having their contracts violated in other fields.

The question I have particularly is while you have made the point that it is absolutely no answer to the current economic situation--and I think you have made it very well--and that it is really a smokescreen for action to create jobs, what I am particularly concerned about is its effect on women. In many fields, I feel this legislation discriminates against women more than other people, particularly because many women are low paid and also many women have special problems which require collective bargaining action.

I would like to ask you if you think that this bill will prevent bargaining on nonmonetary items which are of particular concern to women and which are not covered by legislation right now, such as health and safety regulations for pregnant women who may be exposed to video-display terminals in the school computer programs or may be exposed to German measles, and so on.

Will this legislation also prevent that kind of collective bargaining? Does that mean we have to put those things on ice for the two years?

Ms. Sigurjonsson: It is certainly clear, Mr. Chairman, that the bill prevents any meaningful bargaining on any issue. Section 15, I believe, allows bargaining of nonmonetary items but it is ludicrous because there is no termination; there is no access to arbitration or strike. And, believe me, in negotiating with most school boards about the kind of controversial issues you have mentioned, without the possibility of arbitration or strike at the end, is pointless.

Ms. Bryden: Do you also think it will make it difficult

to increase the opportunities for women to move into principalships, which could be affected by some forms of bargaining, opening up training programs to women where perhaps they are not having equal representation?

Ms. Sigurjonsson: Yes. They do not tend, as a rule, to bargain for those positions. We have urged this government over and over again to introduce mandatory affirmative action which would allow our people to move, in the numbers in which they ought to move, into the hierarchy in the schools and the government has refused to do that as well. But that is another issue.

Ms. Bryden: Since we do not have mandatory affirmative action, it has to be left to the collective bargaining process--

Ms. Sigurjonsson: Absolutely.

Ms. Bryden: --and this means this is postponed, as well as the wage increases. I think you have made the point very well that it is not an answer to the economic problems; it is persecution against women to some extent.

Ms. Sigurjonsson: Yes.

Mr. Mackenzie: I take it your position is clear in terms of amendments and it is the bill itself which has to be withdrawn.

Ms. Sigurjonsson: Oh, yes. I was interested in the figure of speech used by one of the previous speakers who talked about drowning in an ocean versus drowning in a swamp. We have thought ourselves if you ask whether we want to take strychnine by soup or by coffee, we do not want it at all.

We do not want this bill. We do not think it can be saved. We are not interested in trying to make a bad piece of legislation work.

Mr. Mackenzie: I noticed in going through your brief that you abbreviated a bit and missed a paragraph on page 15 in the centre of the page. It also makes a couple of excellent points that--

Ms. Sigurjonsson: That was a great mistake.

Mr. Mackenzie: It would be well for most of the members to think about, because it is one of the standard answers we get in the House and yet I think you have dealt with it extremely well. In other words, go and talk to the laid-off workers. They will tell you whether or not they are buying our restraint program. I would commend everybody here to take a look at page 15 of that brief.

Ms. Sigurjonsson: In these communities, particularly if I may mention Sault Ste. Marie, as soon as the bill was introduced our members--perhaps we should be outraged--asked to meet with the Minister of Labour. We met with them and with other teachers. The comments we got from their husbands and their brothers and the other men who were unemployed is: "This is not going to help us to

have a job. What it is going to do is take money out of this community." The same has been true with our teachers in Sudbury.

I think at the beginning, our president mentioned that one of the evils of the bill and the approach some of the members have taken to this bill, is to pit the private sector against the public sector. That is an unreal dichotomy.

Mr. Piché: Mr. Chairman, since we are governed by regulations, I would like to bring your attention to the clock.

Mr. Chairman: Thank you. Mr. Piché has recognized the clock. I am sorry, it is past 10:30. Thank you very much for your presentation. Thank you very much for your generosity.

We are adjourned until next Tuesday following routine proceedings. Excuse me, gentlemen, it will be in committee room 1 because it is set up for simultaneous French translation.

The committee adjourned at 10:32 p.m.

April
14
S/15

J-40

Government
Publications

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

INFLATION RESTRAINT ACT

TUESDAY, OCTOBER 26, 1982

Afternoon sitting



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Eves, E. L. (Parry Sound PC)
Mitchell, R. C. (Carleton PC)
Piché, R. L. (Cochrane North PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)
Watson, A. N. (Chatham-Kent PC)
Wrye, W. M. (Windsor-Sandwich L)

Substitutions:

Kerr, G. A. (Burlington South PC) for Mr. Watson
Roy, A. J. (Ottawa East L) for Mr. Elston
Wrye, W. M. (Windsor-Sandwich L) for Mr. Breithaupt

Also taking part:

Mackenzie, R. W. (Hamilton East NDP)
Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics
(Muskoka PC)

Clerk: Arnott, D.

Witnesses:

From l'Association des Enseignants Franco-Ontariens:
Cazabon, M., Secrétaire-Adjoint Service des Relations de Travail
Charron, P., Chief Negotiator
Plouffe, S., President

From the Carleton University Academic Staff Association:
Neuspiel, G., President Elect

From the Ontario Confederation of University Faculty Associations:
Bates, D., President
Wesley, P. G., Executive Director

From the Ontario Federation of Labour:
Meagher, T., Secretary-Treasurer
O'Flynn, S., Vice-President
Pilkey, C. G., President
Pryde, A., Public Relations Director

From the Ontario Secondary School Teachers' Federation:
Meuleman, J., District Officer

From the York University Faculty Association:
Drummond, R., Member

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Tuesday, October 26, 1982

The committee met at 4:12 p.m. in committee room 1.

INFLATION RESTRAINT ACT
(continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Chairman: I see a quorum. I call the committee to order. I think we should first deal with the subcommittee which met yesterday. Perhaps I could simply read the proceedings.

The subcommittee considered its schedule of public hearings related to consideration of Bill 179. The subcommittee arrived at no position regarding presentations or written briefs received after 5 p.m. on Friday, October 22, 1982. The subcommittee agreed to instruct the clerk of the committee to group on a voluntary basis all presentations by affiliates, districts and locals of umbrella organizations already scheduled to appear before the committee.

The subcommittee agreed to instruct the chairman and clerk to request that presenters not read their submissions, but only summarize or highlight the contents. The subcommittee agreed to instruct the clerk of the committee to schedule seven presentations during each half-day session. The subcommittee agreed to instruct the clerk of the committee to give first priority to scheduled presenters who submitted written briefs to the advertised deadline of 5 p.m. on Friday, October 22, 1982. The subcommittee agreed not to reject the request of the Association of Municipalities of Ontario to make an oral presentation based upon its written brief deposited with the Premier's office until October 25, 1982.

The subcommittee adjourned at 4:35 p.m. to the call of the chair.

I had a chance in the House to speak to Mr. Wrye who approved of that. Is that roughly correct, Mr. Cooke?

Mr. Cooke: It's roughly correct.

Mr. Chairman: Fine.

Mr. Cooke: Do we have an opportunity, in 30 seconds or less, to supplement the report?

Mr. Chairman: Go ahead.

Mr. Cooke: I think all committee members should be aware there was an effort on the part of the opposition, at least, to find some common ground on which we could hear all 91 briefs that are still to be heard. Everything was looked at, including a request to the House leaders to extend the hearing an extra four days. It was estimated that all of those briefs could be heard within the four days of additional time.

I must point out the two members representing the Conservative party rejected any attempt to find a compromise that would entitle all 90 people who submitted their names in time to be heard adequately before this committee.

Mr. Wrye: Very briefly, Mr. Chairman, I would like to bring the following to your attention, to that of the committee, and perhaps to the clerk: Our caucus has been informed that the Federation of Metro Tenants' Associations, which is appearing Thursday night, would like to have a larger room, if possible, because they expect between 100 and 200 people for the appearance. Clearly, this room is inadequate to serve their needs. I'm just wondering whether their request might be accommodated.

Mr. Chairman: How about two rooms? We had it on Bill Pr13, wasn't it? We had the two rooms. One was hooked up with sound; one was smoking and the other was non-smoking. The overflow went into the additional room, which allowed around 200 people. Would two of these rooms be satisfactory?

Mr. Wrye: I can't speak for this group. I'm just wondering if there is not a room that would be large enough to accommodate between 100 and 200 people.

Mr. Chairman: We would have to move out of this building the way they did on the Workmen's Compensation Board hearings. What is the choice of the committee? Either we try for 200 here in the Parliament buildings or else we're out of here to a much larger room that will hold several hundred.

The clerk points out to me that notification will have already gone out advertising this building and room 151 as the place of the hearings.

Mr. Cooke: Surely one of the security people in the building can redirect them.

Mr. Piché: Has the clerk been advised that these people are coming?

Mr. Chairman: Mr. Wrye is bringing it up for the first time.

Mr. Piché: We could be getting that second time. Are we sure they're coming?

Mr. Wrye: I indicated to the person on our research staff who raised the issue with me that she should advise the association to put the request formally to the clerk. I'm sure that can be done some time this evening.

Mr. Piché: As long as we're sure. If we're going to move, we want to make sure these people show up. The proper place to approach this matter would have been with the clerk. Now that you mention it, I'm suggesting we go in those two rooms. If it will hold up to 200, that's where we should be. We should be here in this building since the advertisement went out and everyone concerned is going under the assumption that is where we're going to meet. Also, we should be in the House because the House sits that night.

Mr. Chairman: Have we a consensus to stay in this building?

Agreed, thank you. We'll do the best we can with piping in the other room.

Mr. Mackenzie: I just want to serve notice now that we will be moving procedural motions, including a request for additional time at the beginning of the session tomorrow so that the chair and the members of the committee are alerted to it.

Also, we'll want to put on record 16 briefs that were received at a hearing held in Hamilton at the Connaught Hotel on this very matter because they wouldn't have been able to get in here. I will do that at the beginning of the session tomorrow as well.

Hon. F. S. Miller: It's fair enough to do that and that is within the limits of the procedure. I find it a bit strange because I thought all three House leaders had agreed to the time when they put this committee in place last week. I think that should be on the record too. All three parties and all three House leaders agreed.

Mr. Mackenzie: That was based on a suggested 50 submissions. We're now up to some 120 and over 50 have not--

Hon. F. S. Miller: That is not the case. You were at 104 the moment you did that, Mr. Mackenzie, and you know it.

Mr. Mackenzie: The original estimation. It's time you got your facts straight as well.

Hon. F. S. Miller: My facts are a lot straighter than yours are. I happened to be here when that was discussed.

Mr. Mackenzie: The question is how many briefs we have.

Hon. F. S. Miller: We called it 100-and-some-odd, right at that moment.

Mr. Mitchell: Mr. Chairman, I suggest we proceed with the hearings today.

Mr. Cooke: On a point of privilege, Mr. Chairman: I'm getting a little tired of the Treasurer deliberately presenting the wrong point of view. We are not suggesting that the agreement should be destroyed. We're suggesting that perhaps common sense

can prevail in this committee and that the committee could make a request to the House leaders that the agreement be amended by one week. That's not breaking an agreement.

4:20 p.m.

Mr. Chairman: No, I'm sorry, that's not privilege. Thank you, Mr. Mackenzie for giving the chair notice of that. Monsieur Plouffe. Members, this is exhibit 27. Would you identify yourself and the other gentleman?

M. Plouffe: Monsieur le Président. Mon nom est Serge Plouffe. Je suis président provincial de l'Association des enseignants franco-ontariens. A ma droite, Marc Cazabon, secrétaire adjoint au Service des relations de travail de l'Association.

L'Association des enseignants franco-ontariens se joint aux autres associations d'enseignants et appuie la Fédération des enseignants de l'Ontario ainsi que l'ensemble des associations et des syndicats représentant les travailleurs et les travailleuses de cette province pour réclamer que le projet de loi 179 soit retiré.

Notre association qui regroupe 5,200 enseignants francophones de cette province reconnaît la gravité de la situation économique qui prévaut sur le plan national. Nous devons vous avouer que nous aurions de loin préféré nous présenter devant vous pour appuyer un véritable programme de relancement économique dans lequel tous les secteurs de l'économie ontarienne auraient été impliqués.

Malheureusement, telle n'est point la situation. Le gouvernement préfère poursuivre une campagne de culpabilisation des employés des secteurs public et parapublic, et propose une loi qui enfraint les règles les plus élémentaires de notre démocratie. Feignant de s'embarquer dans une guerre contre l'inflation, contre le chômage et contre les taux d'intérêt qui minent notre essor économique, le gouvernement de cette province propose qu'un groupe particulier fasse les frais de la crise économique dont il n'est pas responsable.

La restriction des augmentations salariales par des contrôles arbitraires auprès des travailleurs et des travailleuses du secteur public ne peut avoir un impact significatif sur l'indice des prix à la consommation. Ceci est d'autant plus évident lorsque l'on considère qu'il n'y a aucun contrôle véritable sur l'ensemble des variables nationales et internationales qui causent les fluctuations de cet indice.

Le gouvernement n'est pas sans savoir que les coûts de l'habitation, de l'énergie, de l'alimentation comptent parmi les grandes causes de l'inflation. Notre association aimerait bien comprendre quel sera l'impact du programme des contrôles sélectifs des salaires sur ces grandes composantes de l'indice des prix à la consommation. Il nous semble frauduleux de parler au grand public de l'"Inflation Restraint Act" lorsque le programme proposé n'a rien à voir avec l'abattement du taux d'inflation, et a tout à

voir avec une démarche froide et calculée de réduire le déficit budgétaire sur le dos des travailleurs et des travailleuses des secteurs public et parapublic.

A notre avis, il est illusoire de camoufler l'objectif véritable du projet de loi: celui de réduire le déficit provincial anticipé en faisant porter le fardeau de cette action par moins de 15 pour cent de la masse des salariés de cette province. Réduit à sa plus simple expression, le projet de loi 179 impose une surtaxe indirecte aux salariés du secteur public, leur faisant porter une part déséquilibrée des coûts des services à la population.

Après avoir minutieusement scruté le programme proposé, notre Association le rejette parce qu'elle y voit une mesure tout à fait injuste et inapte à bloquer le rythme des hausses de prix pendant la période à laquelle il doit s'appliquer. Ce programme est incroyablement boiteux, tant dans ses arguments que dans sa forme, et il n'aboutira jamais à la stabilisation économique que nous souhaitons tous.

L'AEFO s'inquiète de l'irresponsabilité dont fait preuve le gouvernement en proposant un programme de contrôle des salaires dans le secteur public malgré les preuves irréfutables, tant dans l'expérience canadienne que dans celle des autres pays, qui démontrent sans équivoque qu'un programme de contrôles artificiels est voué à l'échec.

C'est dans le contexte des considérations ci-haut mentionnées, que notre Association s'objecte à voir le gouvernement transformer un programme qui devrait être un outil de lutte contre une présumée "psychose inflationniste" en une arme qu'il utilise pour inciter la population contre ses propres employés. De fait, c'est sous le camouflage de la lutte contre l'inflation que les contrôles sélectifs deviennent l'arme d'un gouvernement qui s'attaque à l'intégrité des salariés du secteur public.

Par son programme, ce gouvernement tente de démontrer que les salaires des employés des secteurs public et parapublic sont la cause primordiale de l'inflation. Ce même gouvernement s'allie à la haute finance pour créer l'impression, auprès de la population, que les taux d'augmentation salariale dans les secteurs public et parapublic dépasse les taux d'inflation. Ces deux mêmes alliés tentent aussi de créer l'impression qu'il existe un immense décalage entre les salaires du secteur privé et ceux du secteur public.

Cette position est contradictoire aux données qui démontrent que l'accroissement des taux de salaires dans les secteurs privé et public accusent un retard sur les augmentations du coût de la vie. De même, cette position est contraire aux études récentes qui démontrent qu'il existe un décalage entre les salaires payés au secteur privé et au secteur public pour des emplois comparables, mais ce ne sont pas les employés des secteurs public et parapublic qui sont avantagés. Par son programme de contrôle, le gouvernement ne fait qu'assurer que les inégalités s'accroissent.

Dans le contexte actuel, nous ne pouvons voir dans le programme proposé autre chose que l'aveu du gouvernement de son inefficacité à contrôler la situation économique. Plutôt que de prendre des mesures concrètes pour combattre le chômage par un véritable relancement économique, le gouvernement préfère détourner l'attention du public. Il préfère créer l'impression d'une intervention dynamique et faire du capital politique pour rehausser son image.

Vous comprendrez donc facilement notre refus de collaborer à un projet de loi qui s'attaque à des droits syndicaux fondamentaux, tels le droit de négociier, le droit au respect et à l'application intégrale des conventions collectives signées, le droit de grève et le droit de recours à l'arbitrage volontaire. Vous comprendrez notre opposition à une loi qui décrète arbitrairement des taux d'augmentations salariales nettement inférieurs à l'augmentation du coût de la vie et qui limite les avancements d'échelons dus à l'expérience et à l'acquisition de compétences professionnelles supérieures. Vous comprendrez aussi notre souci que cette ingérence dans le régime de la négociation ne devienne l'excuse et l'occasion d'une intervention, ainsi que d'un contrôle prolongé et soutenu.

L'Association des enseignants franco-ontariens s'oppose inflexiblement à ce projet de loi. Elle vous soumet que le seul geste légitime que le gouvernement pourrait désormais poser est de retirer le projet de loi 179 et de lui substituer un véritable programme économique susceptible de réduire le chômage et de relancer l'économie ontarienne.

L'AEFO recommande l'abandon de ce projet de loi qui se révélera tout à fait inefficace et grossièrement inéquitable.

Merci.

M. le Président: Merci. Monsieur Roy.

4:30 p.m.

M. Roy: Monsieur Plouffe, j'ai bien lu votre présentation et nous sommes certainement d'accord avec certaines de vos revendications. D'abord à la page 6 je crois, lorsque vous dites que "le gouvernement préfère détourner l'attention du public et créer l'impression de faire du capital politique plutôt que de prendre des mesures concrètes pour combattre le chômage par un véritable relancement économique". Nous avons certainement, mes collègues et moi-même, critiqué fortement le gouvernement d'avoir tardé aussi longtemps et de s'être amusé pendant une bonne partie de l'été pour savoir si les sondages étaient favorables ou non à l'établissement d'un tel programme. Nous avons aussi critiqué le Premier ministre Davis d'avoir dit au début de l'année ...

Est-ce que le NPD ... Il y a quelque chose qui te taquine?

Mr. Mackenzie: --polls, too, my friend, but that is why you voted the way you did.

M. Roy: Vous allez m'excuser ... mais quelquefois, quand je parle, ça chatouille un peu le NPD ... Alors, ils vont avoir des revendications ... Il va y avoir des ... des interruptions parfois agressives de la part du NPD, mais on va essayer de continuer quand même avec la question ...

Je retourne à la présentation ...

Mr. Mackenzie: --in your opinion.

M. Roy: Tiens, ça devient simultané. C'est comme un volcan ... Il y avait juste une seconde ...

Hon. F. S. Miller: He is always 30 seconds behind.

M. Roy: Oui, oui ... Une chance qu'on a la traduction simultanée! Cela me donne l'occasion au moins de faire certaines présentations sans avoir trop d'interruptions ...

De toute façon ... nous sommes d'accord avec certaines parties de votre programme. Nous aurions certainement préféré que le programme propose, comme vous dites, un relancement économique. Ensuite nous aurions voulu que, tant qu'à imposer des contrôles, qu'ils le soient d'une façon plus équitable, qu'il y ait plus de temps dans le processus de contrôle des prix.

Pour en revenir à votre présentation ... Ne croyez-vous pas que, acceptant le fait que le gouvernement n'ait aucunement l'intention de retirer ce bill 179, ne croyez-vous pas que ce serait peut-être ... plus ... je ne dirais pas objectif, mais peut-être plus raisonnable d'essayer d'améliorer la législation, plutôt que de la retirer? Car, vous savez fort bien que le gouvernement n'a aucunement l'intention de retirer ce projet de loi.

M. Plouffe: On ne peut pas amender un projet de loi qui va au détriment des travailleurs et des travailleuses de la province. Quand on veut suspendre des droits que l'on a négociés au cours des années passées, on ne voit pas comment un amendement va pouvoir soulager le fardeau d'un tel projet.

M. Roy: Non, mais ... Etes-vous contre toute forme de contrôle?

M. Plouffe: Oui.

M. Roy: C'est parce que vous dites à la première page de votre présentation que "la gravité de la situation économique qui prévaut sur le plan national". Nous sommes d'accord sur ce point. La situation économique est présentement très grave. Vous avez ici, au pays, des gouvernements comme le Parti québécois au Québec, qui sont très favorables - et ont d'ailleurs reçu d'une façon majoritaire l'appui des travailleurs - à l'imposition d'un programme de contrôle.

M. R. F. Johnston: Ce n'est pas un grand succès!

M. Roy: Ce n'est pas ce que je pense ... Je veux simplement vous dire qu'il n'y a rien de nouveau dans cette province ou une autre. Vous avez même des gouvernements soi-disant pro-travailleurs qui imposent des programmes ... Il y a d'ailleurs un programme qui est encore plus sévère que celui-ci. Mais je ne suis pas plus en faveur du Parti québécois que du Parti conservateur et je ne suis pas ici pour défendre leurs positions. Ce que j'aimerais que vous nous disiez ... La position à laquelle je reviens est celle-ci: on devrait essayer d'améliorer la législation. Ne croyez-vous pas que l'on pourrait d'abord l'améliorer en imposant un contrôle sur certains groupes (comme les médecins) ou sur le système des primes d'assurance-maladie, etc.?

M. Cazabon: Je pense, Monsieur Roy, que votre présence ici est peut-être une occasion de faire des discours politiques ou d'attirer la sympathie de vos collègues, mais il est faux de faire allusion à la situation économique du Québec et de commencer à comparer... La loi du Québec n'a d'ailleurs pas l'assentiment des travailleurs. La position de notre Association est bien claire: la loi est fondamentalement biaisée contre les travailleurs du secteur public; elle n'est pas acceptable. Qu'elle soit amendée pour y ajouter d'autres peccadilles ne la rendra pas plus acceptable.

M. Roy: Mais ...

M. Cazabon: Une loi fondamentalement inacceptable demeure inacceptable, même si on essaye de donner des petites aspirines pour le cancer.

M. Plouffe: Non, non... mais ce n'est pas ...

M. Roy: Nous ne croyons pas que c'est...

M. Plouffe: Il reste que je suis surpris que le Parti libéral provincial ait eu un tel programme, lui qui veut constamment se dissocier du libéral fédéral, et voilà une mesure qu'il aurait pu utiliser: ne pas favoriser un tel projet.

M. Roy: Non, non ... Non, non. Je ne vois pas sur quoi vous vous basez pour ... Si vous voulez commencer à faire un peu de politique, on va mettre les cartes sur la table. Mais n'essayez pas de nous dire qu'on a essayé de se dissocier du libéral fédéral pour la question des programmes de contrôle. On a toujours dit être en faveur de certains contrôles. Vous, vous dites maintenant être contre toute forme de contrôle?

M. Cazabon: Je pense qu'on est venu ici pour parler du projet de loi. On est contre le projet de loi. Ces contrôles sont injustes. Les contrôles des salaires ...

M. Roy: Si on essayait d'améliorer le projet de loi?

M. Cazabon: Mais vous partez avec la prémisse que ce n'est pas l'intention du gouvernement de retirer le projet de loi ...

M. Roy: Bien c'est cela ...

M. Cazabon: ... pour essayer de l'amender.

M. Roy: ... ce n'est pas l'intention.

M. Cazabon: Il va falloir poursuivre la discussion et convaincre le gouvernement d'avoir l'intention d'introduire un programme alternatif qui soit un véritable programme économique. Essayer d'ajouter des contrôles des salaires sans contrôler les prix, ne pas avoir de véritable programme de création d'emplois, tout ceci ne constitue pas un programme économique. Si vous voulez nous montrer un programme économique valable, nous le prendrons en considération et nous vous dirons ensuite si oui ou non ...

M. Roy: Mais c'est de cela dont je voulais discuter avec vous, Monsieur ... Cazabon?

M. Cazabon: C'est ça.

M. Roy: Je voudrais discuter avec vous tout simplement de la situation pour tenter d'améliorer le programme en proposant une série d'amendements. Vous n'essayez pas de vous mettre des deux côtés. Vous dites être contre toute forme de contrôle et vous demandez qu'on vous présente ...

M. Cazabon: Je pense que notre position est bien claire. Nous demandons que le projet de loi soit retiré. On ne peut pas amender un projet de loi qui est inéquitable. Qu'on soumette à toute la population un véritable programme économique et nous le considérerons. Nous donnerons ensuite une réaction.

M. Plouffe: Non ... maintenant ... oui.

M. Roy: Juste pour conclure ... Je ne veux pas prendre tout le temps. Vous dites que c'est impossible d'améliorer cette législation. C'est bien cela que vous dites?

M. Cazabon: C'est ce que je dis, oui.

M. Roy: Vous ne pensez pas que vous prenez une attitude qui n'est peut-être pas tout à fait logique?

M. Plouffe: Mais non ... Pourquoi tenter d'améliorer quelque chose qui va à notre détriment?

M. Cazabon: Au détriment de la population.

M. Roy: Mais si on rend cette chose plus équitable? Si l'on adjoint un programme à celui-ci pour une relance économique ... si sont inclus dans ce programme des groupes qui en sont pour l'instant exclus ... si le programme contrôle les prix plus sévèrement, ne pensez-vous pas que cela améliorerait la législation?

M. Plouffe: Tu veux dire que tu contrôlerais... que tu enlèverais des droits et que ce faisant tu relancerais un programme économique.

M. Roy: Non, non ... Ce que j'essaie de dire c'est que le sacrifice doit être fait par tout le monde, y compris ceux du secteur public. Je vois que le programme tel qu'il est présenté manque certainement d'équité et j'essaie de corriger certaines de ces situations. Mais vous ne voulez rien entendre de cela ...

M. Cazabon: C'est cela. Je pense que tu as compris notre position. C'est précisément cela ... Le programme est fondamentalement inéquitable.

M. Roy: Ah! bon.

M. Cazabon: Nous nous opposons à un projet de loi qui impose des contrôles. De tels contrôles n'ont jamais fonctionné et celui-ci ne fonctionnera pas plus.

M. Roy: Franchement, je ne crois pas que votre position - si c'est bien votre position - soit réaliste.

M. Cazabon: On ne s'attendait pas non plus à avoir la sympathie du Parti libéral.

M. Roy: Non, non ... Avec la communauté ... D'ailleurs, vous ne fonctionnez pas dans le vide. Vous vivez dans une communauté, et je vous suggérerais que la majorité de la communauté ontarienne est en faveur d'une forme de programme de contrôle.

M. Cazabon: C'est l'argument des Conservateurs, Monsieur Roy. Je l'ai déjà entendu.

M. R. F. Johnston: Cela a toujours ...

M. Roy: OK. Merci, Monsieur le Président.

M. le Président: Monsieur Piché.

M. Piché: Je ne sais pas trop si je dois entrer dans les discussions que nous avons ici. On met le blâme sur les Conservateurs et on dit qu'il existe toutes sortes de contrôles artificiels. J'aimerais vous poser deux ou trois questions, et je voudrais que vous retourniez à la page 4, puisque vous mentionnez que les contrôles n'ont jamais fonctionné. Vous dites: "... malgré les preuves irréfutables, tant dans l'expérience canadienne que dans celle des autres pays qui démontrent sans équivoque qu'un programme de contrôles artificiels est voué à l'échec". Ma question est la suivante: avez-vous un exemple spécifique à présenter au comité, lorsque vous parlez d'expérience canadienne de contrôle salarial qui fut un échec? Pouvez-vous expliquer? Que voulez-vous dire par là?

4:40 p.m.

M. Cazabon: C'est bien facile à expliquer. Je pense qu'on a tous subi le "Anti-Inflation Board" et le "Anti-Inflation Program" du gouvernement fédéral, il n'y a pas si longtemps. Cette

expérience n'a pas été propice à relancer l'économie. Si elle l'avait été, nous ne serions probablement pas dans la situation actuelle, tant sur le plan national que provincial. On n'a pas besoin de plus d'exemples pour dire que ...

M. Piché: Oui, mais ...

M. Cazabon: Et puis, il y avait avec ce programme-là un projet plus grand qui visait à contrôler les prix. Dans le programme de l'Ontario, les contrôles des prix sont minimes, autant dire ... Je ne comprends pas comment le fait que mon immatriculation automobile m'ait coûté moins cher l'an passé que cette année pourra influencer le taux d'inflation. Je ne pense pas qu'on ait besoin d'aller plus loin que cela pour donner des exemples.

M. Piché: Oui, mais c'est plus un exemple spécifique que j'aurais aimé avoir.

M. Cazabon: Mais que voulez-vous dire "plus spécifique"

M. Piché: Bien ...

M. Cazabon: Je pense que vous pouvez tout autant que nous lire l'indice des prix à la consommation. Vous pouvez comparer cet indice avant et après l'entrée en vigueur du dernier programme, et vous verrez qu'il n'y a pas eu de résultats très positifs.

M. Piché: Je vois en page 5 ...

M. Roy: C'était en 76.

M. Piché: Pensez-vous que dans les secteurs public et parapublic, il y ait eu récemment plus d'augmentations salariales? Pensez-vous que ces secteurs aient moins subi de mises à pied que d'autres groupes? Lorsque vous étudiez les deux côtés, est-ce que ...

M. Cazabon: Je pense que si vous considérez les statistiques ontariennes relatives aux salaires et que vous compariez les taux d'augmentation dans les secteurs public et parapublic avec ceux du secteur privé, vous allez vous apercevoir autant que nous qu'il y a un décalage, que les augmentations n'ont pas été aussi élevées dans les secteurs public et parapublic que dans le secteur privé.

M. Piché: Oui, mais il y a certainement une grosse différence.

M. Cazabon: Ah! bien, on reconnaît qu'il y a une différence. Si la solution du gouvernement est de continuer à mettre tous les travailleurs à pied ...

M. Piché: Mais non, ce n'est pas ce que veut le gouvernement. Le gouvernement veut protéger les ...

M. Cazabon: Bien, le projet ... le programme ...

M. Piché: ... protéger ceux qui n'ont pas d'ouvrage. C'est ce qu'il essaie de ...

M. Cazabon: Est-ce que le programme va créer des emplois?

M. Piché: Bien j'espère. C'est pour cela que le gouvernement essaie de faire quelque chose. Mais vous semblez dire aujourd'hui qu'on ne peut rien essayer. On se prépare et on présente un projet qui va peut-être marcher, en tout cas on l'espère.

M. Plouffe: Mais comment allez-vous créer des emplois avec ça?

M. Piché: Il faut déjà protéger ceux qui ont des emplois. C'est bien ...

M. Cazabon: Dans quelle section du projet de loi parle-t-on de création d'emplois?

M. R. F. Johnston: Ah! oui, c'est ça.

M. Piché: Dans quelle section?

M. R. F. Johnston: Comment Monsieur ... comment?

M. le Président: C'est fini Monsieur Piché? Pas d'autres questions?... Monsieur Johnston.

M. R. F. Johnston: Merci, Monsieur le Président. Je voudrais vous faire un compliment. C'est un très bon argument économique que vous nous avez donné. Je veux dire que vous avez répondu à ma question qui était de savoir s'il y avait une possibilité d'amender ce projet de loi. Vous avez répondu à Monsieur Roy sous la pression et je vous félicite de votre présentation.

M. le Président: M. Miller.

Hon. F. S. Miller: Vous savez bien que nous avons dit, à la lecture du projet de loi, qu'il fallait avoir également un programme de relance économique, et nous avons demandé au gouvernement fédéral d'en avoir un. J'espère que demain vous allez avoir au moins une réponse du ministre des Finances fédéral. J'ai dit que nous sommes prêts ici, dans la province de l'Ontario, à avoir un programme, même s'il n'y en a pas au niveau fédéral. Nous savons qu'il faut qu'un programme ait deux parties, pas seulement un projet de loi pour limiter les salaires.

Vous savez aussi que nous allons combattre le chômage en réduisant le taux d'inflation et les taux d'intérêt. Nous croyons qu'un tel projet de loi est nécessaire. Je dois vous dire aussi que nous allons poursuivre ce projet de loi et c'est pourquoi nous avons demandé s'il y avait des possibilités d'amendements pour l'améliorer.

M. Plouffe: Monsieur Miller, croyez-vous vraiment que l'on puisse réduire le taux d'inflation en imposant un contrôle dans un seul secteur?

Hon. F. S. Miller: Nous croyons que les forces du marché ne s'appliquent qu'à ceux qui travaillent dans le secteur privé. Nous croyons qu'il est indispensable que le gouvernement de l'Ontario prenne des mesures ainsi que nous l'avons fait, comme l'a fait le gouvernement fédéral. Presque toutes les provinces ont pris des mesures pour limiter les salaires des fonctionnaires et des employés du secteur parapublic. Comme vous le savez, il ne s'agit pas uniquement de l'Ontario, mais de presque tous les gouvernements canadiens.

M. Cazabon: Il y a une chose que je ne comprends pas, Monsieur Miller. Vous espérez que le gouvernement fédéral propose un programme économique. Tout le monde aussi l'espère, et nous souhaitons que ce soit un programme qui réussisse. En anglais on utilise l'expression "pass the buck"; c'est votre stratégie. Mais est-ce qu'il n'aurait pas été préférable que votre gouvernement attende qu'il y ait un véritable programme économique au niveau national, programme auquel vous auriez pu vous rallier, plutôt que de vous embarquer dans le même lit que les Libéraux du fédéral pour imposer des contrôles aux secteurs public et parapublic? Ce que vous nous proposez n'est pas plus une solution; c'est... c'est de la foutaise!

M. R. F. Johnston: Exact ça.

M. Roy: J'aimerais demander à Monsieur Miller, le ministre des Finances, si l'on peut s'attendre à ce que l'Ontario ait un programme de relance économique au cas où le gouvernement fédéral demain n'en présente pas?

Hon. F. S. Miller: Oui.

Mr. Chairman: Thank you, gentlemen, pour votre présentation.

The next group is the Ontario Secondary School Teachers' Federation/Association des enseignants franco-ontariens, Sudbury. This would be exhibit 28.

Mr. Meuleman: Do members have copies of the brief?

Mr. Chairman: It is coming. You could carry on. Thank you. Excuse me. By the way, perhaps you did not catch those very fast results of the subcommittee that I mentioned. We would prefer you to condense, if you could. Thank you.

Mr. Meuleman: Yes, we will. My name is Joe Meuleman. I am a member of the Ontario Secondary School Teachers' Federation. I teach part-time in Sudbury and I am a district officer part-time. My colleague is Mr. Paul Charron from l'Association des enseignants franco-ontariens, also a teacher in Sudbury and the chief negotiator for secondary school teachers in Sudbury. We

would like to think this committee for the opportunity to present our position to you. You have just listened to the position of the l'Association des enseignants franco-ontariens and you will, in the next few days, be hearing the position position presented by our parent organization the Ontario Secondary School Teachers' Federation. We certainly endorse the positions that they will present to you.

It is our intention, however, to present a brief to you which focuses on the way in which we feel that this pending legislation impacts on the teachers in Sudbury and on the negotiations in Sudbury in particular. It will be our final request to you that this committee seriously consider recommending to the government that it withdraw this legislation.

Appended to my brief is a report which may be referred to at other times before this committee, a report called the Auld report, on public sector and specifically education salary settlements in Ontario. It is our contention, as that study shows and as is shown in the table on page 2 of our presentation, that salary settlements in education and in the public sector have been below the rate of inflation. We find it somewhat puzzling why they suddenly become the cause of inflation when, they have been well below that rate.

The main concern we have with this legislation, along with the monetary restrictions in it, is with the very sweeping removal of the right to bargain freely among teachers and school boards, among all public sector employees and employers. There are many issues which are discussed, and compensation is only one of them, at the bargaining table. The bargaining table has in the past, and should remain, a very effective forum at which we could address those concerns that arise between the employer and the employee.

Secondary education is facing a time of turmoil in the next few years. It is expected that the secondary education review project committee report and the ramifications of that will be coming before the House. In Sudbury, French immersion students will be entering the secondary education stream in the next few years. There is a need for some considerable adjustment in the system. The removal of the right to bargain that is included in this legislation will severely curtail the opportunity to adjust the system properly to those changes.

Although we support the concerns that others have presented to you about the arbitrary powers of the Inflation Restraint Board and about the limitation on salary increases for experience and educational improvement over the \$35,000 level, the further items I will address are specific to Sudbury.

In table 1 on page 3 of the report, I present the salary settlements. Because the charge is sometimes made that, "Yes, those are the wage increases, but there are hidden fringe benefit increases," I present to you also the total increase in the compensation package as it has been negotiated for secondary teachers in Sudbury over the last six years. It is 49 per cent, while the inflation rate increased by 57 per cent. We have already fallen eight per cent behind inflation. This bill would ensure that we fall farther behind.

The other concern we have is the cost of education. It is our contention that a large part of the reason that education and education taxes are becoming increasingly more burdensome to the local taxpayer and that there are some screams of outrage from local taxpayers is not because of excessive salary increases, but because of reduced provincial funding for education.

Again, I present to you the data as it applies to the Sudbury situation, on page 4 of our brief, where the provincial share of the Sudbury Board of Education's expenses has decreased since 1976 from 63 per cent to a current figure of 55 per cent. That extra eight per cent has had to be picked up by the local taxpayers and results in the types of tax increases which are shown in table 3 of the brief. It is this that I believe is the real root of the problem in education.

The bill now seems to propose that since the local taxpayer can no longer afford the educational system and since it seems that the provincial government is unwilling to pay for its proper share of the educational system that it is going to be the teachers who pay for the cost of the system. We contend that that is not equitable.

I would ask Mr. Charron to present the remainder of the brief.

M. Charron: L'histoire de nos deux associations fut longue et complexe. Dans le passé, l'interférence semblable à celle que nous voyons aujourd'hui proposée par le gouvernement fut partiellement responsable d'une grève de cinquante-six jours que nous avons menée. Le fait que cette législation nous conduise encore vers ce même genre de conflit nous inquiète. L'historique de nos négociations, même si celles-ci ont parfois été douloureuses, montre qu'elles semblaient parties sur un bon pied jusqu'à ce que la législation ou les rumeurs de législation nous vienne, au printemps ou à l'automne.

In April the board had offered teachers an increase in salary of nine per cent and eight per cent over two years. After rumours of pending wage controls, they reneged on that offer, after it was accepted by us, and they moved to eight per cent. Presently, they are sitting at seven and five. That was after they received the report from fact-finder, Mr. David Moore, which recommends, "Taking into account all the relevant factors, in my judgement the appropriate increase would be somewhere in the range of nine to 9.5." They disregarded the fact-finder's report.

Nous nous rendons compte que nous ne pouvons plus maintenant nous mettre en grève... Ils ont crû bon de jouer la politique et de revenir sur leur parole, sur ce qu'ils nous avaient offert. Nous nous voyons présentement dans une situation qui s'empoisonne. Rien ne nous annonce que cette situation va s'améliorer. Rien ne nous dit que nous ne nous trouverons pas, d'ici deux ans, dans une situation semblable à celle qui nous a conduits à nous mettre en grève pendant pratiquement trois mois il y a deux ans.

This committee and the government has stated that public

sector wages should be controlled because we are not affected by the local economy. I differ from that opinion.

First, public sector bargaining is not conducted in isolation from the economic realities. Teachers in Sudbury made adjustments to their positions such that even without this legislation, the settlements for 1982-83 would have been very close to nine per cent.

Secondly, both the rumours leading up to it and the actual legislation have done much already to poison the relations that we have with our board. This is the only thing legislation will produce. It will not produce a lower settlement, but it will produce poisoned relations.

The limitations imposed by this act on noncompensation items will also seriously impede what have been historically negotiable items for Sudbury secondary school teachers. A case in point is staffing.

A second example which also deals with staffing would be that interference may be reflected in the provisions that we would normally negotiate for special programs, programs which were implemented by this government--French immersion education, education for French language students.

Through such legislated items as Bill 82, the trend towards more specialized programs will increase, but we will be forbidden to negotiate the staffing that will allow us to accommodate those needs. What will occur, in effect, will be to rob the staff of the existing regular programs and this we see as detrimental to everyone concerned with education.

Mr. Chairman: Mr. Meuleman, would you like to summarize?

Mr. Meuleman: Yes. Again, in summary, it is our contention not that particular items within the legislation should be altered or changed, although undoubtedly a good case can be made for that, we feel that the legislation is unnecessary and unjust.

Public sector salary settlements do occur with a view to what is happening in the real world, despite contentions to the contrary. Public sector negotiations and negotiations in education, in particular, often centre on many items other than compensation. This legislation so effectively unbalances the power of the two parties at the negotiating table that effective negotiations, I am sure, will not occur until after this legislation ends and the after-effects may well be severe. Thank you very much.

Mr. Chairman: Thank you. Questions?

Mr. Wrye: One question. If this committee, given that you wish the bill withdrawn and if I may suggest to you I will take it as given--let us say a motion was put that this committee would vote not to withdraw the bill--if that were to happen. If the committee were to amend the bill to return the right to

strike, in your case, return the right to go to voluntary arbitration, over all but the very narrowly defined noncompensation as opposed to nonmonetary issues, which you have spoken to in terms of staffing, for example, would that then make your role easier in terms of negotiation?

It seems to me if the nine per cent was mandated in the first year, it is very close to what the arbitrators recommended and it may be above the latest offer of the board.

Mr. Meuleman: My contention in that case would be then why have the legislation. If the economic conditions are producing settlements in an acceptable range, if inflation comes down the settlements will come down very much to reflect it. Then the entire justification for the legislation seems to be removed.

Mr. Charron: I would like to add to that. To amend this legislation is like a person whose motor has gone from his car changing his tires to remedy the situation.

Mr. Wrye: You can fix the motor, come on.

Mr. Chairman: There being no further questions, gentlemen shall we--I'm not going to say "adjourn." Shall we just walk down the hall to room 151 where there's more room? Please do not stop on the way. Like in Monopoly there's no stopping at jail or anywhere else, boardwalk. Let's go straight to room 151.

The committee recessed at 5 p.m.

5:04 p.m.

Mr. Chairman: Shall we come to order? The next group is from the Ontario Confederation of University Faculty Associations, Messrs. Bates and Wesley; the yellow exhibit 29. The clerk will then be handing out two further briefs from the Carleton University Academic Staff Association and the York University Faculty Association. Would you identify yourselves, please?

Mr. Bates: I am David Bates, president of OCUFA. I am accompanied by Bob Drummond, York University political science, representing York University Faculty Association and George Neuspiel, on the far side, constitutional lawyer, representing Carleton University Academic Staff Association. On my left is Patrick Wesley, executive director of OCUFA.

Mr. Chairman: Yes. Thank you. Did you hear us in the other room that we would prefer, rather than reading your brief, if you could summarize it? It gives more time for questions.

Mr. Bates: I did not hear that, but we will try to do that for you.

Mr. Chairman: Fine. Thank you.

Mr. Bates: I would propose to have the OCUFA brief first and then some comments from the other two associations.

Mr. Chairman: Yes. That is fine. Thank you.

Mr. Bates: OCUFA, representing 10,000 academic staff in the province's universities, is unequivocally opposed to Bill 179. Wage controls do not represent a well developed economic policy. This bill is political gesturing.

The long-term consequences of this legislation for higher education, research and ultimately the economic and social development of Ontario, will be serious and probably irrevocable. The universities have been burdened with the effects of underfunding for a decade. Bill 179, by imposing further arbitrary and unfair cutbacks, and in some cases rollbacks, to the salaries of university employees will hurt morale in the universities, damage the universities' research efforts and make it impossible for the universities to attract and keep top professionals, exacerbating an already difficult situation.

Academic salaries have deteriorated dramatically over the last decade. Faculty have been subsidizing the university operations where the government has refused to do so. Bill 179 will have the effect of further restraining a group of employees that has already failed to benefit from the economic development they have helped produce.

There is a popular misconception that university faculty are well paid. Faculty salaries have deteriorated so dramatically that an increase of 32.7 per cent would be required to restore 1971 purchasing power. Salaries paid to many younger members of the professoriate do not even reach the level defined by the Metropolitan Toronto Social Planning Council as adequate for a family of four to exist on. The council defines an adequate income for such a family as about \$24,000 per year after taxes.

Over the last 10 years, underfunding has produced an unacceptable situation. The province's university system now has a much more experienced, skilled, knowledgeable and productive group of academic staff, but values them, in monetary terms, far less. Restraint heaped upon restraint is particularly painful.

The average industrial wage in Ontario has increased by 145.9 per cent over the 10-year period 1971-72 to 1981-82. The scale increase for the Ontario professoriate has been only 89.2 per cent in this time period. As contributors to economic wealth, we have not been allowed to share in the products of our endeavours.

Typically, faculty do not begin to earn full-time salaries as academics until the age of 28. On top of this, the lifetime salary profile of university faculty is significantly different from that of other professional groups. As a consequence, the lifetime earnings of university professors are considerably less than those of other professionals whom they train.

Bill 179 will not only have the effect of restraining the already restrained, it will also compound a problem that is seriously affecting Ontario's universities: the ability to attract and to keep top-quality professionals in the Ontario university

system. We find the methods that Bill 179 employs for implementing restraints to be reprehensible.

5:10 p.m.

The freezing of the bargaining process in the public sector in the name of financial restraint takes away rights established by this very government. If this right can be treated so cavalierly, there is no assurance that other basic rights will be respected.

The real test of our democratic system is its ability to preserve fundamental rights in times of difficulty. Action such as that proposed by the Ontario government to suspend the collective bargaining process deserves nothing but condemnation.

We call upon the committee to recommend the withdrawal of Bill 179. We do not believe that it will make any contribution to addressing the real problems that we face as citizens and academic staff. We find Bill 179 a burden on already much-abused institutions. We find Bill 179, as a proposed solution to any problems, to be a dangerous illusion.

I would ask Professor Bob Drummond of York University to make some comments for their association.

Mr. Drummond: Mr. Chairman, there are two points, in addition to the ones mentioned by my colleague from the Ontario Confederation of University Faculty Associations, that I would like to address. I would say, at the outset, that I endorse very strongly all of the comments he has made.

The two points that our brief addresses more particularly, that are not so clearly addressed in the OCUFA brief, have to do with the rather large discretionary authority which is being proposed for the Inflation Restraint Board which will be, interestingly enough, not subject to wage restraint itself. It will be apparently accountable to no one, will have no requirement to hold hearings, nor to provide reasons for its decisions in writing or in any other form. Our union feels those powers are flagrantly antidemocratic.

Secondly, the additional point I would like to make is that this bill represents an interference in the autonomy of universities which is dangerous to the very existence of the university, as we know it in Ontario, particularly when taken in conjunction with other proposed and existing legislation affecting universities. This is clearly, in our view, a further attempt to place the universities more firmly within the control of the provincial government.

While one can understand the concern of the province with the expenditures on universities, one has to recognize that the university is a fragile kind of institution that requires considerably more autonomy than perhaps some of the other institutions of this society.

Those points having been made, I would say that I join with

my colleague from OCUFA in suggesting this legislation is reprehensible and should be withdrawn.

Mr. Chairman: Thank you. Mr. Neuspiel.

Mr. Neuspiel: Thank you, Mr. Chairman.

On behalf of the Carleton University Academic Staff Association, I would just like the committee to note our concern about the way this bill represents a general attack on the process of collective bargaining which, after all, in this province has been a cornerstone of employer-employee relations since the late 1920s, at least, if not longer.

We see in this bill a real threat to any effective and meaningful assertion of a basic civil right, namely, the right to free association. Free association to have any meaning must be able to fulfil the purpose of these associations and if you make the purpose of the associations unlawful, you are striking at the very freedom of association.

But quite aside from these general concerns, we feel that this committee is openminded enough, irrespective of its individual members' partisanship and so on, to want to have drawn to their attention a number of particularly discriminatory and illogical provisions of the bill as it now stands.

One of those provisions that I would like to deal with is the fact that our collective agreement at Carleton University and those at other universities as well, contain specific provisions for the rectification of anomalously low salaries, particularly those resulting from discrimination against female academic staff in the past. Now, finally, through long years of negotiations, we have been able to create a fund from which these anomalies of female academics are to be redressed. Surely, salary adjustments to be paid from such a fund and specifically designed to rectify past injustices should be exempted from any bill of this type.

At Carleton, as at a number of other universities, we have over the years negotiated an orderly and rational career development plan under which academic staff advance in 30 small, annual steps from the floor of instructor, which is somewhere around \$16,000. These small, annual increments are contingent on the faculty member's increased productivity and value to the university and to society as demonstrated by his or her increased proficiency in teaching and research.

In effect, each of these small, annual steps represents a mini-promotion, because without these steps, a professor throughout his lifetime would only have two promotions, that is, from assistant to associate and from associate to full professor.

The bill, as it now stands, could very well interpreted as to abolish these annual mini-promotions above the 10th step. The result would be a total disruption of the orderly progression upwards through the ranks. It would lead to such anomalies as junior member of the very same department earning exactly the same salary as those several years their senior, simply because the

annual increment of the senior ones has been frozen, has been abolished by the bill as it now stands.

One other very detrimental effect of the bill in its present version is that it totally ignores the difference between different groups of employees to be covered by the bill. It ignores the discriminatory impact of the bill on some of these groups.

For example, the bill fails to take into account that university teachers have a different type of pension plan to the public superannuation plans. The private plans in effect in most universities, such as Carleton, are usually not indexed, or have minimal indexing. Ours is not indexed at all. Most are tied to the final three, four or five years of earnings.

This means that those of our members who are now 62 to 65 years old and are about to retire will be forced to retire, not only with a control year rolling back their salary but with their pensions for the rest of their lives being affected by this rollback, because they will never have another three or four normal years in which to get back their normal level of pension.

In conclusion, I would like to associate myself with everything my colleagues from OCUFA and from York University have said, but I would particularly like to draw the committee's attention to these very obvious illogical and discriminatory aspects of the bill, as it now stands.

Mr. Roy: Just picking up the last comments. Is it Mr. Neuspiel?

Mr. Neuspiel: That is right.

Mr. Roy: Am I pronouncing it right?

Mr. Neuspiel: Quite right.

Mr. Roy: What about those points, Mr. Treasurer, especially the point dealing with the question of these annual increments? Is there any consideration given to your legislation at all about considering some of those amendments?

Hon. F. S. Miller: My understanding was that if there were moves made within a salary scale less than \$35,000 a year, they were granted if they were in an existing contract. If there were increases because of degrees or qualifications, as there were in the teaching section of public and secondary schools, these were also permitted as long as they were not passing \$35,000. So, within certain ranges that would be true.

The second thing is, of course, we are talking of a one-year program. The professor was extrapolating some of these things to a series of years rather than one year. Certainly, when you talk about the pension plan, you are on a one-year program, you are (inaudible). I sense that one will not have all those differentiations disappear in one year.

Mr. Neuspiel: with great respect, Mr. Treasurer, there is going to be a bunching of three years around the \$35,000 mark then and all progression, the ratios, will totally disappear. In other words there will be a meaningless bunching at the \$35,000 mark.

5:20 p.m.

Hon. F. S. Miller: I think we have seen a good deal of bunching through the civil service over the last few years too. If one took the multiple of my deputy minister's salary to our most junior clerk today and compared it with that same multiple, say, 20 years ago, you would find the multiple 20 years ago was much greater. I think there has been a tendency towards that within government services. I am not trying to justify it, but just simply saying it has happened.

Mr. Roy: Let me try to understand you, while we are on that point. Are you saying the legislation as it presently exists will allow what we call these increments or these merit increases or whatever, as long as they were under \$35,000?

Hon. F. S. Miller: That was my understanding. When we get to clause-by-clause consideration, we shall look at the interpretation of the sections. We'll have a chance for my interpretation to be verified or disagreed with, and my legal staff who will be there to answer your questions.

Mr. Roy: I just want to get this commitment from you, Mr. Treasurer: whatever the interpretation is, are you prepared to make sure the legislation is clear that these will be allowed if it is under \$35,000?

Hon. F. S. Miller: I have learned in this business not to make my commitments until I get there, but that is my understanding at this point.

Mr. Roy: You are so cautious, Frank. Do not be too cautious.

Hon. F. S. Miller: Usually when you want me to agree, you want to bring it back up and throw it in my face.

Mr. Wrye: May I have a question on the same issue? I do not necessarily need an answer today.

Could you at some point indicate to us whether someone under this legislation who was caught, perhaps, at step 10--I shall just use that, I do not know what your groupings are--and did not move to step 11 through the ranks because of the merit provisions of your legislation, would that person immediately jump the two steps to step 12 at the end of the control period?

Hon. F. S. Miller: I sense not.

Mr. Chairman: Are there any other questions?

Thank you very much for your presentations, gentlemen.

The next group is the Ontario Federation of Labour, with exhibit 32.

Mr. Mitchell: Mr. Chairman, I just want to make everyone aware that the reason we are not asking too many questions is to enable as many briefs as possible to be heard. We do not want them to feel we are giving them short shrift at all; it is the time constraint.

Mr. Chairman: Mr. Pilkey, would you introduce the group with you, please?

Mr. Pilkey: With me is Terry Meagher, secretary-treasurer of the Ontario Federation of Labour; Sean O'Flynn, president of the Ontario Public Service Employees Union and also a vice-president of the OFL. On my right, though not necessarily on my right, is Alan Pryde of our staff.

Also in the audience are George Drennan of the International Association of Machinists and Aerospace Workers, and a vice-president of the OFL; Bill Punnett of the United Rubber Workers of America; Al Hershkovitz of the United Food and Commercial Workers; Glenn Pattinson of the International Union of Electrical Radio and Machine Workers; John Donaldson of the Iron Workers Union; all of whom are vice-presidents of the OFL. In addition, Harvey Ward of the Amalgamated Transit Union is here, along with John Eleen and Paul Forder of our staff.

I would like to read a synopsis of our brief. Our original brief was 40 pages in length; we have now cut it down to 12 pages.

The Ontario Federation of Labour, representing 800,000 organized workers in both the private and public sector, has taken the opportunity to appear today to articulate in the clearest possible terms our opposition to provincial and federal public sector wage controls.

This committee has already heard from a variety of OFL public sector unions on the particular inequities of Bill 179. You will be hearing from a number of private sector unions determined to erase any suggestion that public sector workers stand alone on this issue.

We want today to specifically challenge the government's rationale for the introduction of this legislation. I offer my apologies if we track some points already heard by this committee, but I think committee members, the media and the general public should hear them again and again. The federal and provincial governments have been allowed for too long to perpetuate the economically absurd and morally bankrupt charade that wage control in any shape will address the root problems of our present crisis.

Bill 179 has very little to do with economics; it has a great deal to do with public relations. Public sector wage controls are not a solution, they are a symbol. They are held out to a desperate public in a policy vacuum created by federal Liberal and provincial Conservative governments. With leading economists and the Economic Council of Canada echoing labour's

call for job creation and economic stimulation, governments peddle public sector controls like snake oil. Well, controls are bad medicine for a sick economy.

Let us look at the stated rationale for Bill 179, step by step.

First, we are told that unrealistic wage demands have led to our unacceptably high levels of inflation.

The facts are this. Workers' wages have trailed inflation since 1976. Since the end of the last wage controls program--which did next to nothing to abate inflation--the average Canadian worker has lost \$41.24 a week in real income; see table A. That is more than \$2,000 a year. Increases in earnings for organized workers have averaged nine per cent since 1976, and the figure drops when the unorganized are added. Price increases have averaged 10 per cent over the same period.

This lack of real purchasing power may help explain why data released by the Organization for Economic Co-operation and Development shows our standard of living has fallen to 17th in the world. To give you an idea where we stand, Iceland ranks 16th.

The outlook in the here and now is no better than in the past 10 years. Statistics Canada reports that the average family income fell four per cent in 1981. Actual family income rose eight per cent, but inflation rose even higher, to just under 12 per cent.

Second, we are told that public sector wage increases have led those in the private sector.

The facts are these. Public sector wage settlements have trailed those in the private sector each year since 1976; see table B. Both public and private sector unions settled for smaller wage increases in the first three months of this year than they did in 1981. In the public sector, settlements dropped from 13.2 per cent to 12.6 per cent and in the private sector from 13.9 per cent to 13.1 per cent.

Public sector wage settlements have not had an undue influence on private sector wage demands. The facts are that in many cases public sector workers receive less than equivalent workers in the private sector. A study released this fall by the Ontario Economic Council says this province's public sector wage settlements have had no spillover effect on the private sector. The conclusion contradicts the widespread belief that public sector settlements are out of line.

The report says the rapid growth of the government sector in recent years and greater media attention to public sector negotiating are responsible for this misinformation. The authors note that it "would be wrong to control wages in the Ontario public sector on the grounds that they behave differently from those in the private sector."

In any event, private-sector wage settlements are already

responding to labour market forces. Statistics Canada has reported that hourly earnings in manufacturing rose at an annual rate of only 7.7 per cent in the second quarter of this year, before controls were introduced at either the federal or provincial level. This 7.7 per cent increase is down dramatically from the 13.7 per cent increase in the first quarter. Private sector workers have already paid more than their fair share in inflation fighting. Now they pay even more.

I stress to add that this marked decline in private sector settlements occurred at the same time the government of Ontario was gnashing its teeth over the undue influence of certain public sector settlements that, upon close inspection, reflected a legitimate and overdue attempt to keep pace with rises in the cost of living.

Third, we are told that Ontario wages are too high in relation to other provinces and that is one of the reasons we could not attract entrepreneurs to invest and set up plants in this province.

5:30 p.m.

Here are the facts. Six provinces had greater wage and salary gains than Ontario in 1981 as compared to 1980. Four provinces have higher weekly wages than Ontario; see table C.

Fourth, we are told that wage increases must be restrained as unproductive workers are pricing themselves out of world markets.

Here are the facts. Contrary to what many people believe, Canada's labour costs are not out of line by international standards. In terms of hourly compensation in manufacturing, Canada is seventh lowest among 10 major industrial nations.

The most recent US labour department statistics show an average hourly compensation of \$9.06 in Canada. This compared to \$13.18 in Belgium, \$12.60 in Sweden, \$12.18 in the Netherlands, \$11.94 in West Germany, \$9.92 in the United States and \$9.46 in France. All figures are expressed in US dollars.

A Swiss-based research group, European Management Forum, has placed Canada fifth among the 20 industrialized countries ranked according to economic competitiveness. Significantly, the authors of the report went beyond usual economic yardsticks and asked business executives in all 20 nations to give their personal assessment of relative international competitiveness.

For the record, the top 10 countries were: Japan, Switzerland, the United States, West Germany, Canada, Sweden, the Netherlands, France, Australia and New Zealand. Britain came in 12th and Italy 20th.

Canada does indeed have a productivity problem. But most people understand this to mean a problem with workers' productivity. Until we dispel the simplistic notion that its

solution lies with labour, the debate around the productivity issue will itself remain largely unproductive.

My own views might well be regarded by some with suspicion. Consider this comment made by Royal Bank of Canada chairman Rowland Frazee in a recent issue of Canadian Business Review: "Too many people take them"--i.e. productivity figures--"as proof that Canadian workers are lazy. Such a conclusion is not justified. Canadian productivity is low. I can think of at least six reasons why, but lazy workers are not on the list."

Productivity is not how hard a person works, it is how efficiently that person works. Working harder does not guarantee higher productivity. Productivity is in large measure related to capital investment. Workers can hardly be expected to be productive when they are faced with machines or equipment that are out of date, inefficient or poorly designed and installed. Nor will productivity improve if these same workers are running those machines below capacity because our political leaders have plunged the country into a recession and dried up consumer demand for goods.

Management efficiency has its own role in determining productivity. Workers cannot produce if materials and supplies are on order. They cannot produce efficiently if related industrial processes and machinery are not readily compatible, or if line supervisors and foremen are incompetent or unable to respect workers as adult human beings.

As important as all this is, the fact also remains that wage controls imposed on both the public and private sectors in 1975-77 failed to work. The facts show that while workers lost income, corporations made more profits in the period 1976-78; see table D.

The rationale for public sector wage controls is more symbolic than real. Controls will do nothing about price increases, nothing for increased production and more importantly, will not create one single solitary job.

Federal and provincial controls legislation clearly illustrate a lack of ethics. Governments, at the urging of the corporate sector, have suspended the democratic right to strike, arbitrarily rolled back wages and removed provisions of collective agreements legally negotiated and in which they were a willing participant.

If a government can, with impunity, renege on its contractual obligations with its employees, what other contracts it has signed are safe?

Apparently the doctors are safe.

Mr. Roy: So far.

Mr. Pilkey: So far, right.

In addition to limiting wage and benefit increases, the imposition of controls prevents advances through collective

bargaining in such areas as affirmative action, child care, equal pay, maternity leave, safety and health and technological change, issues which government has little intention of addressing through legislation. Controls will only perpetuate the inequality imposed by government on many public sector employees, especially women.

The true aim of public sector wage controls was revealed in a statement made by made by Donald Johnson on September 28, 1982. The then president of the Treasury Board, when asked the reason why controls were imposed on workers in the federal public sector replied, "Wage controls were imposed in the federal public sector because employers in the private sector said they could not reduce wages unless the federal government set an example that would lead the way."

That public sector controls will also have an impact on the private sector is further reinforced by Jean-Luc Pepin, the federal transport minister, who has admitted that the companies' acceptance of his government's program could very likely lead to layoffs. Layoffs have already occurred at Canadian National Railways and Air Canada.

The main aim of both federal and provincial controls legislation is to divert public attention from the bankrupt policies of the very governments which helped to bring about this sorry state of affairs. The game plan is to put the blame for the economic chaos on workers, even though they are the main victims of the crisis, and to weaken the trade union movement. Income has shifted from wage earners to the corporations, the rich and the powerful, so that they can maintain their profits, their wealth, and influence in society.

By creating more unemployment and cutting the wages of those still precariously holding on to their jobs, it is hoped the wealth accumulated by the corporations will be invested to trickle down to a few workers and lead to future jobs. The Ontario Federation of Labour is unalterably opposed to this economic thinking and the wage controls programs that figure into its execution.

For the next several weeks the Ontario Federation of Labour intends to meet with Premier Davis and his cabinet to propose a program for economic recovery. We will at that time be laying out a clear alternative to wage controls.

Wage controls are not a solution. They are another problem, and a large one, for Ontario's economy. We urge the committee members to reinforce this message by reporting back to the Legislature, all of which is respectfully submitted.

Mr. Mackenzie: I'm wondering, first, if you had been informed of a little press release that came out this afternoon that Ontario Hydro's board of directors have approved an average increase of 8.4 per cent in Ontario.

Mr. Pilkey: I think that speaks to controls. It seems to me that if it had any meaning at all, any substance, they would have zeroed in on energy costs, but they're not doing that. Two

weeks ago, maybe less than that, we had a 10-cent a gallon increase in energy at the pumps as well.

They don't restrict some of these corporations to their guidelines, even though they have some control over that, but certainly will zero in on the wages of workers, which really is impacting on their standard of living.

Mr. Mackenzie: In the House today, the Minister of Consumer and Commercial Relations (Mr. Elgie) said that the reason they couldn't do anything about some of the price increases was because they were arranged or projected prior to this legislation coming in. He made no response to the question when asked if the same thing should not apply to contracts being rolled back.

Mr. Pilkey: I think that's a perfect analogy. They could zero in on rolling back wages that they had a contractual obligation to honour. I think we made that point in the brief. I think it's just ludicrous that you sign a collective agreement and then somehow you abridge that by rolling it back. I really don't understand that for a moment.

Mr. Mackenzie: The same arguments don't seem to apply, in any event.

5:40 p.m.

The final question I had is a question that has been asked, I guess, of every group and has been the subject of much consideration. Is there merit in trying to improve some of the worst sections of this bill, or should the position be one of withdrawing the bill?

Mr. Pilkey: I really don't think we can ever agree to the concept of controls in this form. There is no sense in saying the principle is correct and that we ought to somehow amend the bill. I think the principle in itself is wrong. Therefore, how would it be possible to amend it if the principle in itself is wrong?

Mr. Chairman, I know Sean O'Flynn's group is dramatically affected by this. I wonder if Sean could just make a brief comment. I know he's been in front of your committee before, but he might want to add something. He's the vice-president of the federation.

Mr. Chairman: Carry on, please.

Mr. O'Flynn: I was listening to the repartee about the agreement that the leaders of the parties entered into. I listened to Mr. Miller saying that was an agreement. I took it that's supposed to mean you don't break agreements. I wonder as I sit here if I'm in some kind of fairyland.

There's a certain form. The form is that the government is very fair and they're nice people and they smile, and the substance is anything but that. The substance is they are doing something that is dirty, that is rotten, that is mean, that is

inequitable and that is without any element of justice in it.

Just take a look at what they're doing. You talk about collective agreements. Of their own free will this government entered into an agreement with 17,000--mark you, 17,000--secretaries and clerical people. What are they doing now?

You talk of your little agreement between the parties, as to how many days you're going to have. You think that's sacred? It wasn't even signed. This one was ratified and signed. What are you guys doing? You're ripping it up.

You think that's nice? You think that's respectable? Do you expect the unions you're dealing with are going to have any respect for your agreements in the future? It's a rhetorical question. The answer should be clear: we won't.

I'd also like to make a point about the attitude that this bill bespeaks of the relationship with the labour movement. The government seems to think that whatever it sets out to do it should be able to do; that it can indeed rape the unions and the labour movement, or kick it in the balls--use whatever harsh words you think in order to understand what's happening here.

It is not a nice thing that's happening. It's a very harsh thing that's happening. It's a very unusual thing that's happening here. Then they expect you, when it's all over, to forget about it as if it never happened, to kiss the victim after you've raped it.

I say that's not going to happen. I think this is a great abuse of power by this government. I want to emphasize there's nothing nice about it. The form is nice, but the substance is dirty, vicious, inequitable, and my members think so, too.

Mr. Pilkey: Just to follow up on Sean's comment, this morning I was in Barrie. I was on a call-in show on CKBB, I believe it is, for an hour.

Just to illustrate his point, one of the women who called in works in a nursing home just outside of Barrie. She said the rate of pay in the home--and I want to tell you this is an organized nursing home; I don't know what the hell they're paying in the unorganized ones--was \$3.57 an hour and the maximum was \$4.29. She was at the top rate of \$4.29.

She said, "Do you think, Mr. Pilkey, it's fair that we now have controls on those kinds of rates?" I said, "No, I think it's totally unfair."

She said, "So do we and the members in our nursing home."

That's what we're subjected to--that kind of a control on wage rate that reflect \$3.57 to \$4.29.

Mr. Brandt: Just a question in regard to one part of the brief Mr. Pilkey may be able to respond to.

You alluded to the fact that the policies of both the

federal and the provincial governments were bankrupt. I'd simply raise the question that if that was the case, how do you account for the rather depressed world conditions in virtually every industrialized country that lies outside of Canada? Certainly the problem does not only exist here.

Mr. Pilkey: I never said that it did just exist here, but it seems to me that we have some control over our own destiny. What I'm really saying is, my friend, that controls will not respond to that in this country and they won't respond worldwide either. Sure there is difficulty around the world, but surely the controls are not the answer to that problem.

What we need to do is look at an economic alternative, one that has some meaning that we can put in effect in this country to alleviate some of the unemployment. We have a 1.5 million officially unemployed. This province has been hit extremely hard, but I never heard anyone say that if we put this controls program in place, within a year or a year and a half that reflects X number of jobs and there will be a significant reduction in the unemployment figures in the province. No one has said that.

Mr. Kerr: You don't think it will save any jobs?

Mr. Pilkey: I don't know how it's going to save any jobs. As a matter of fact, it may create further unemployment.

There are two things we need in this province. One, we need a job creation program that really reflects on jobs. Secondly, we need more consumer purchasing power so people can buy the products we produce. You don't do that by cutting back on wages.

Let me give you an illustration. I'm going to go back, because you and I come from the same era. I want to tell you, my friend--

Mr. Kerr: You're younger than I am.

Mr. Pilkey: No, I'm not. We remember quite vividly during the Great Depression--we're both very young but we can remember what happened. There was a great competition for jobs at that time. If you recall, and I want to use this to illustrate my point, the average wage rate then was about 50 cents an hour. There were all kinds of people who were prepared to take those jobs at 25 cents an hour. What the hell did that do for the economy?

I'll tell you what it did: we went deeper into the hole. It got worse at that point in terms of the kind of competition for jobs during the depression. It seems to me that we're adopting the same kind of philosophy now and applying it. It won't work. It didn't work then, it won't work now.

The only thing that pulled us out of that one was a war. That's the only thing that pulled us out of it. It wasn't a question of cutting wages that was going to put people back to work. You know it and I know it.

Mr. Meagher: There is a point I would like to make here, because I hear this all too often, about it being a worldwide phenomenon, that all the countries in the world are caught up in a downward trend in their economies. The fact of the matter is that 14 years ago Canada enjoyed the second highest standard of living in the world. We've now slipped to 11th place.

Accepting that there's been a downward turn in the world economy, Canada should still stay relatively in second place. Instead of that, we've dropped down to 11th.

The fact of the matter is that Canada, in comparison to the countries we were comparing ourselves to, is far richer than most of them in the natural resources we have and the human resources and so on. To put that argument is not really coming to grips with what's being done within Canadian society, or what's being done within society in Ontario, to take advantage of the blessings that we have.

Mr. Pryde: If I can make a further point, I think if you go into any industrial centre in the province and you talk to blue-collar industrial workers, and you ask them why there have been layoffs in their plant or why their plant is closing or an allied plant has been closed, they'll tell you it's because people aren't buying things.

I can't, for one, not being a professional economist--I suppose that makes me somewhat sensible--understand how a further removal of hundreds upon hundreds of millions of dollars in purchasing power from low-income people in a good many cases, who would be obligated to go out there and put that money to work flowing through the economy, is going to lead to any job preservation.

5:50 p.m.

Mr. Miller knows very well that the major problem confronting this government right now is that existing policy has turned uncountable tens of thousands of taxpayers in this province into, first, unemployment insurance recipients, and now increasingly, as exhaustees, welfare recipients. That is not a productive utilization of capital in our economy.

What we as a federation stand for is a turning of welfare people into taxpayers. The fundamental disagreement with this government is that it's not prepared, as individuals do when they purchase a house mortgage, to make a personal deficit for greater economic gain further down the road.

Mr. Chairman: Mr. Kerr, are you through with your questions?

Mr. Kerr: I was going to talk to Mr. Pilkey. I think you would have to agree we have a state of emergency in this country right now. You mentioned the high unemployment and the layoffs and things of that nature. I'm sure you heard the Prime Minister's three pep talks last week and agreed 100 per cent with what he had to say.

Mr. Pilkey: Oh, yes, I was really impressed.

Mr. Kerr: Keeping to that theme, that we're in trouble here and the government has to do something, don't you think a restraint program at least creates a yardstick or a guide for wage settlements across the board? Don't you think, for example, the recent wage settlement in the automobile industry was affected somewhat by both of these restraint programs?

Mr. Pilkey: No, I don't really think they had any bearing at all. I think those settlements would have come out exactly the same as they did had there not been any restraints programs in place. That's the market forces working. Surely to God, that's something that the Tories in Ontario agree with.

Mr. Kerr: Right, but you don't have that in the public sector.

Mr. Pilkey: What do you mean, you don't have that?

Mr. Kerr: You don't have market factors in the public sector.

Mr. Pilkey: No, but you're negotiating in the same sort of climate. If the market forces out there are working in the private sector, surely to God they're applicable in the public sector as well.

Mr. Kerr: No, you don't have it.

Mr. Pilkey: We pointed out in our statistics--look at that presentation I gave you and you will see that they were somewhat comparable, with the private sector being ahead of the public sector, but at that point somewhat comparable. We'll never know that either unless you let the system work. The moment you curtail the free collective bargaining process we won't know. Why didn't the government let this go for a few years and find out whether that is factual or not. They don't know that.

Mr. Kerr: The collective bargaining process in the private sector as compared to the public sector is entirely different.

Mr. Pilkey: I'm not convinced of that. You're telling me that, but I'm not convinced of that.

Mr. Kerr: There are no market factors. Look at the top of page 5, that first paragraph. That proves the point I'm trying to make. The labour market forces are effecting changes in settlements in the private sector. Hopefully, that's helping inflation decrease.

Mr. Pilkey: Why don't you go to the top of page 4? Why page 5?

Mr. Kerr: Five is more interesting to me.

Mr. Pilkey: Probably. Go to the top of page 4.

Mr. Pryde: As we say in the brief here, the report that was released by the Ontario Economic Council, which in my latest reflection was not a bastion of social democracy, has said that public sector wage settlements do not have an undue effect on the private sector. We have to question whether we're dealing with economic reality or symbolism. What percentage of the gross provincial product is being affected by public sector wage control?

Mr. Pilkey: I'm on the Ontario Economic Council and Mr. Pryde is right. It's not the bastion of radicalism there, I'll tell you that, my friends.

Mr. Wrye: Picking up from that, perhaps you could explain this? I've got some statistics in front of me for the first quarter of 1982 in which the average annual increase in base wage rates in collective agreements in all industries is 10.8 per cent; in manufacturing it was 8.1 per cent; provincial administration was 13.2 per cent; local administration was 12.4 per cent and education-related services was 12.2 per cent.

That would indicate that the market forces were at work in the private industry side and had not yet taken hold on the public side. I am not sure whether any second-quarter statistics would indicate that some kind of market force has taken hold on the public side, but the first quarter certainly does not seem to bear out your point.

Mr. Pilkey: It was the second quarter that the private sector gave. We have not got stats nor do I have in front of me what happened in the public sector, but my guess is that they would have tracked that. They were tracking it before. I do not know why they would not have tracked it when things started to come down somewhat.

In any place I have looked at stats, it appeared to me that the public sector was trailing the private sector for the most part. I have no reason to believe, after the first quarter, that would not have been applicable in the public sector as well. I happen to believe it would have. Just leave it along and let it work its way through the system and address ourselves to some more fundamental problems.

That is what is bothering me. We are addressing ourselves to a controlled program that is unfair, inequitable and discriminatory but doing very little in the other arena, where we really should be looking at where the hell we are going.

Mr. Kerr: We are really talking here about the rate of increase, are we not? What we are arguing about here is the rate of increase in the public service. We are not talking about layoffs, we are not talking about closing down plants, we are not talking about increasing the unemployment rolls.

Mr. Pilkey: No, but you have got layoffs in the public sector.

Mr. Kerr: No, but if we have not, they are going to be reduced with this program. If we did not have a restraint program

in Ontario, then we are going to be saving money by layoff people. Now they have not got that reason to do that.

Interjections.

Mr. O'Flynn: There are many alternatives open to the government if it wants to pursue them. First of all, they could introduce a surtax on incomes, which the federation proposed. Secondly, they could let the deficit grow.

Mr. Kerr: You are hitting the NDP that way though.

Mr. O'Flynn: Well, I do not care who the hell you are. I am prepared to pay my share too.

Thirdly, this government is proposing to give me details tomorrow at 4:30 p.m. of the various institutions it is going to close down across the province. I am sure that will do a lot to restore confidence when they announce the complement of the civil service is going to be reduced by 1,200 people. I am sure that will do a great deal to restore confidence in those communities.

Interjections.

Mr. Wrye: Mr. Chairman, I have two more questions, if I could just conclude very quickly.

On page 11 of your brief you say, "Income has shifted from the wage earners to the corporations, the rich and the powerful..." etc., so they can maintain their profits. You have been good enough to provide the effect of controls on corporation profits back in the late 1970s. I am just wondering, Mr. Pryde, if you had any indication of what corporate profit levels were in the early parts of 1982.

Mr. Pryde: There is no question corporate profits are not as high as they were through that period, but the fact remains that in the year 1980-81 there was only one other country in the western industrial world that enjoyed a higher percentage of profit for its GPP amongst corporations, and that was West Germany. Given the upward and downward surge of profit levels, this country has done remarkably well and continues to do so.

There are lean times. Talk to us about lean times. Our people know about them. We have had lean times for the last seven or eight years. Corporations at least have had some fat years. I presume, as a member of a party that accepts the precepts of free enterprise, you believe that profits do in a market system rise and fall, according to economic conditions. But the fact is the solution to our economic difficulties does not lie in siphoning workers' income into corporate profit margins.

Mr. Wrye: I have one last question, if I might, Mr. Chairman. Mr. Pilkey, you said earlier to withdraw the bill. Let me take that another step further. You have been here, where I am now.

Mr. Pilkey: I have been, but I lost the election.

Mr. Wrye: Let me suggest to you at the end of our public hearings that the first motion put is a motion to report back that this committee wishes to kill the bill and that motion fails to carry. At that point, do you believe there is any point in bring in amendments, or should we just report the bill back as it is?

6 p.m.

Mr. Pilkey: Let the government do what it is going to have to do. I would urge the members in the opposition that they just say that it is totally unacceptable and vote against it.

The moment you start down that road of amendments, as I said at the outset, in effect, you are agreeing with the principle and you cannot do that. The principle of controls itself is fatally flawed. There is no evidence anywhere that a controls program worked any place in the free world, wherever it has been introduced.

I heard my friend over here and one of the other members saying, "Tell me where the controls failed." My question would be reversed. You tell me where they worked and I will tell you you will not find any place where they worked at all.

Mr. Roy: In fairness, they worked partially in the federal program of 1975-76.

Mr. Pilkey: It was an absolute disaster.

Interjections.

Mr. Pilkey: As a matter of fact, we have not recovered from that program, my friend.

Mr. Roy: It may have not worked for everybody, but it worked generally.

Mr. Meagher: It worked well for the corporations. I have no quarrel about that.

Mr. Pilkey: My guess is that it certainly worked well for Mr. Ian Sinclair, as an example.

Mr. Meagher: Ian did well.

Mr. Pilkey: He is doing well, running around the country, heading up a committee to sell the six and five solution, earning \$556,000 a year, telling us to tighten our belts and pull together. What the hell, I would take six per cent too if I was earning \$556,000.

Mr. Roy: I am not an apologist for Ian Sinclair. All I am saying is that the rate of inflation--

Mr. Meagher: He is an apologist for you.

Mr. Roy: The rate of inflation which existed at the time the controls were brought in in 1975-76 reduced in part--

Mr. Pilkey: Yes. By less than one per cent, while the unemployment figures just escalated and have been escalating dramatically ever since. It was a complete disaster and this will be a disaster as well.

Mr. Piché: Give it a chance.

Mr. Pilkey: Give it a chance? It is nothing more than a cynical, political ploy.

Mr. Piché: I would like to get back to this. I hope you will be here tonight, but I would like to call your attention to the clock, Mr. Chairman.

Interjection: You do that all the time.

Mr. Piché: That is the only job I have.

Mr. Chairman: I am sorry. Attention has been drawn to the clock and therefore we will adjourn until eight o'clock and come back to the same place.

Mr. Pilkey: You do not want us back though, do you?

Mr. Chairman: We have a list of who is yet to appear. We only have one more question from Mr. Roy, if he wishes you back.

Mr. Roy: No, I will not call you back just for that.

Mr. Chairman: No.

Interjections.

The committee recessed at 6:03 p.m.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

INFLATION RESTRAINT ACT

TUESDAY, OCTOBER 26, 1982

Evening sitting



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Eves, E. L. (Parry Sound PC)
Mitchell, R. C. (Carleton PC)
Piché, R. L. (Cochrane North PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)
Watson, A. N. (Chatham-Kent PC)
Wrye, W. M. (Windsor-Sandwich L)

Substitutions:

Jones, T. (Mississauga North PC) for Mr. Brandt
Wrye, W. M. (Windsor-Sandwich L) for Mr. Breithaupt

Also taking part:

Bradley, J. J. (St. Catharines L)
Cooke, D. S. (Windsor-Riverside NDP)
Mackenzie, R. W. (Hamilton East NDP)
Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics
(Muskoka PC)

Clerk: Arnott, D.

Witnesses:

Beigie, C., Private Citizen

From the Elgin Women Teachers' Association:

Mungar, J., President

From the Ontario Graduate Association:

Sundstrom, R., President

From the Ontario Public Service Employees Union, Colleges of
Applied Arts and Technology Academic Negotiating Team:

Allan, B., Chairperson, Support Staff
Bruce, G., Negotiator
Green, F., Member, Bargaining Committee
Lord, E., Chairman, Bargaining Committee
Pflanzner, J., Vice-Chairperson

From the Peterborough District Labour Council:

Julian, D., Member

From Woods Gordon:

Smith, Dr. A. J. R., Associate; Senior Economic Adviser
Wilson, J. C., Chairman

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Tuesday, October 26, 1982

The committee resumed at 8:06 p.m. in room 151.

INFLATION RESTRAINT ACT
(continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Chairman: I see a quorum. I call the committee to order. Mr. Beigie, would you carry on.

Mr. Beigie: Thank you, Mr. Chairman. I know that time is of the essence and I will be as appropriately brief in my opening remarks.-

Hon. F. S. Miller: I'd like to know whether you are for or against.

Mr. Wrye: If you are for it, there will be a lot of questions.

Mr. Beigie: Let me just make some brief opening remarks. I apologize for not having a brief, but because of the difficulties of scheduling and my own schedule which, during the fall term, is rather crowded, I was not able to have that time.

Ontario public sector employees, in my opinion, have not been a major inflation-initiating force in recent years. Nevertheless, it seems to me that Ontario and the country as a whole face a really exceptionally difficult economic situation and these public sector employees must be included in a comprehensive program for getting us out of this very difficult situation.

Given the federal government's six and five program and, in my view, much more important, a really deep national recession that is literally devastating large portions of the private sector, I can think of only one credible alternative to Bill 179. That alternative would be to place a strict limit, say, five per cent, on the annual increase in Ontario's total employment bill and to force those who insist on getting more than the average increase to confront their fellow employees, public sector employees, who would get less than that five per cent average, including confronting those who would be laid off to join the swelling ranks of the unemployed.

I want to stress that Bill 179 is not a perfect document. Public policy is rarely perfect. I recognize, of course, that to those who feel they have lost position in the inflation race, it is a grossly unfair bill. But it is a bill that is responsible to

the people thrown on the unemployment rolls in a desperate fight against inflation in this country and it is responsible to the young people of this country who are watching Canada's adults fritter away an abundant potential in what, to me, is an obscene battle to further individual positions at the clear expense of the collective interest.

A relatively small percentage of Canadians are going to be able to do significantly better than a five per cent annual increase in the current extremely depressed state of the Canadian and Ontario economies. Using power over important public services to try to do significantly better than what the private sector will generally be able to do would be irresponsible, in my opinion, and would add further to growing public distrust of the role of the government sector in this country.

Ontarians, and Canadians generally, are disgusted with the perception they increasingly have that public sector power is being exploited to abuse rather than serve the public interest. A government that did not respond to that growing sense of distrust would be inexcusably insensitive.

Public sector restraint, in my view, would be objectionable if three conditions were characterizing the situation. One, it would be inexcusable if there was no private sector sacrifice. There is, and it will become increasingly clear, as statistical reports catch up with the actual goings on of the daily life of this economy that sacrifice is being widely shared in the private sector.

The second condition under which public sector restraint would be objectionable would be if the restraint was excessive. It is not excessive restraint, given the reality that in the last decade Canada has generated on average nearly zero productivity expansion, and the fact that five per cent inflation is now running across the board in our main trading partner, the United States. From my perspective as a policy analyst, I have to accept, and have to ask you to understand, that whereas people such as Mr. Pilkey this afternoon have a natural inclination to look backward, my tendency is to look forward and ask where we, as an economy, are going.

The third possible reason why public sector restraint might be regarded as objectionable would be if there was simply no hope for a turnaround and recovery in the economy that is going through the kind of difficulty this economy is. It is my firm belief, and I would prefer to wait for questions if you wish to have me expand on this, that there is today greater hope than in quite some time for a turnaround and recovery in the Canadian economy as a result of the fact that interest rates have, and are justifiably, falling as a result of the moderation of inflationary expectations, but unfortunately in the private sector has been forced upon that sector through an extremely deep recession.

On this point of hope, which I think is of critical importance to the people of Ontario, it is very clear to anyone who studies the Canadian and Ontario economy, that there certainly are longer term problems that this province will be experiencing in terms of getting the rate of unemployment among the people of this province down to where it belongs over time.

We have been told on three different occasions, by the Economic Council of Canada, the federal Department of Finance, and just yesterday by the Conference Board of Canada that we are as a nation are going to have unemployment that remains above 10 per cent well into the eighties, certainly through 1985. It is quite clear to me that this is an unacceptable performance.

We are going to have to do something dramatic and some steps have been taken. It is clear that they are not enough. Therefore, I would propose, with respect, that a commission be appointed, a commission of responsible, independent private sector representatives, business, labour and other sectors, with staff help from the departments of government as necessary. It would study and report on Ontario's economic prospects, the realities of those prospects and the policy options we face.

This would be a commission of the people, not of the government, and its mandate would be to report to the people. I believe Ontario has a great deal to take pride in. I think it should take pride especially in the capacity of its private and its public sector representatives to understand, to educate and to recommend policy options concerning the basic economic realities we must all accept and deal with responsibly and co-operatively, if this and other programs that have been geared to try to get this economy sorted around are going to be successful. Thank you very much.

Mr. Cooke: I have a couple of questions. You talk about the inflation rate with our major trading partner. Is it not true that based on the last three months the consumer index in Canada is running at either a 6.4 or 6.3 per cent inflation rate?

Mr. Beigie: That is statistically true.

Mr. Cooke: So our inflation rate has been brought down, not by government restraint, but because of an imposition of a repression of the monetary policy by the federal government.

Mr. Beigie: It is true, and this is my point in the private sector. If you looked at the private sector--the sector which in Galbrathian terms is known as the market sector--the inflation rate would be considerably lower. If we took out what is happening in the private sector and contrasted it with what is now conventionally called the administrative sector of government, there would be a big differential.

The issue really, however, that I as an analyst think is much more important to look at is what is happening to the collective wage bills of the two countries. It remains true that the wage bills that are being paid in many parts of this country are considerably higher and create a continuing cost momentum to the inflation pressure in Canada. I think that is going to be more difficult to resolve than is the case in those numbers.

Mr. Cooke: Because of the market pressure, other private sector wage settlements--the auto settlements, for example--have come down considerably.

Mr. Beigie: Exactly. If you could tell me how the process you have described would work in the public sector, then my mind would--

Mr. Cooke: Let me give you a concrete example of how it works. Take a look at my own home town, Windsor, and take a look at the private sector settlements in the last three years since the depression hit the city of Windsor. Take a look at the city workers' or the teachers' settlements. Those settlements have been very much in line, if not lower, than the private sector. The reason for that is that public sector unions realize that as the tax base shrinks because of high unemployment they suffer the same consequences, the same market pressures and economic realities that the private sector unions face.

Mr. Beigie: Fair enough. Let me just say that if we were to subject all of Ontario to what Windsor has been subjected to--

Mr. Cooke: We are now there.

Mr. Beigie: We are not.

Mr. Cooke: Oh, come on. Take a look at Sudbury, Sault Ste. Marie, northwestern Ontario, Brantford--

Mr. Beigie: Yes, but take a look at Toronto.

Mr. Cooke: Toronto is coming there very quickly.

Mr. Beigie: That is exactly what I think this program and the six and five program of the federal government is hoping to avoid.

Mr. Cooke: Any public sector union that negotiates right now is under the gun because the tax base, the revenue base for government, has shrunk considerably because the economy has shrunk so severely over the last number of months.

8:20 p.m.

There is an emphasis on competition and our need to keep wages down. I watched all three of Trudeau's little talks where he talked about lowering the wages because we have to compete with the Japanese and so forth. From the reading I have done, it seems to me that if we are looking at a recovery in our economy based on exports, then we are heading the wrong way.

We are not going to have a recovery unless we start looking at satisfying our own free market. Do you not think that one of the positive actions that a government could take in order to create jobs in our country is to look at our own markets, whether it be in machinery, specifically in mining machinery, or whether it be in auto, and do what I understand the Japanese originally did, and that is to satisfy their own markets and then become a nation of exporters.

We have to satisfy our own needs first and develop the expertise, the productivity, the creativity and all the rest of the things that we talk about. That is an area where Canada has fallen down miserably over the years because of the lack of research and development, because of the reliance on multinationals.

Mr. Beigie: I know there is the interest of time here, but let me just say that this gets us into a whole broad question of industrial strategy, a whole new economic strategy for Canada. On the notion of somehow protecting ourselves, if that is implied in your question--if it is not, we do not need to go into that--if it is an industrial strategy and an economic program that is based on Canada being more effective and more competitive in its own market, then we do have to, with respect, take into account our relative cost position.

I hesitate to go further into this; I teach a whole course and I am sure you do not want a whole course tonight on this whole general issue. I do, however, feel quite strongly that it is correct to point out that we do have a reality to face, especially in terms of our manufacturing sector and how we are going to remain competitive, not only within the external markets, but within our own internal markets.

In my professional career I have made a great effort not to put it all on wages. All forms of income are rising at a rate that is incompatible with the exchange rate we have. We have a steadily deteriorating balance of payments position. The only way we can finance that balance of payments position is to sell more of ourself off to foreign investors to try to keep paying for the excesses that we have not brought ourselves under discipline to moderate. I hope that is sufficiently circular.

Mr. Wrye: This afternoon Ontario Hydro announced an 8.4 per cent increase in its rates for the coming year. From your position as an analyst, I would like to ask you whether you have given any thought to the situations where, as in the case with Ontario Hydro, these increases are substantially above six and five or anything of that ilk. What is the impact on Ontarians and Canadians, not only from a pure analytical point of view, but from the psychological point of view in this type of situation? Price increases continue to run substantially ahead of what the government proposes in its wage restraint bill. Do you think that is something which could cause some real problems in the successful implementation of the legislation?

Mr. Beigie: At present we are engaged in a situation where we really have to have a co-operative spirit. A co-operative spirit is not helped if there are increases in prices over and above the limits imposed on certain income increases.

Having said that, I do feel very strongly that there are cases where you simply have to have cost past forward in order to have adequate supplies of things that are considered to be essential. In the absence of having that decision before me, which you suggested was announced this afternoon, I really cannot

comment. It does seem to me that it is one of the functions of both government and the agencies involved to make a strong case, based on honesty in terms of forecasting results in everything, and to confront people with the choices.

The other quick comment I would make is that it is, as you well know, in the nature of the political process when you have control over certain prices to administer them with a lag during periods of cost increases. As we are experiencing in the administered cost sector of the general government services, there is a tendency to fall behind and then to have to catch up. The perfect example is the price of energy, which continues to act as a highly depressing factor in terms of peoples' willingness to go along with the kind of programs that both the federal and Ontario governments are suggesting.

Mr. Wrye: On the wage side, most of the witnesses who have come before this committee have offered a comparison between their wage increases and the consumer price index. From your position as an economic analyst, are those comparisons totally fair, and if not, in your judgement, at what point does the level of the wage increase in percentage terms become somewhat or totally irrelevant to the increases in CPI?

Mr. Beigie: I wish the economic profession--and I have preached to the point of making some of them a little upset--would make clear to people that when they are advocating this notion of indexation that they would say what we index to.

The CPI is a lousy index to use as the base. The CPI is light in its adjustment. It has market baskets of goods that are old market baskets of goods from the mid-1970s. They do not reflect the fact that the changes in relative prices, say, energy versus non-energy items, encourage the rational consumer to make a process of substitution that leads to a different market basket.

My general comment is that the CPI overstates the impact of inflation of the kind we have had right now on true living costs. That is not to say you just dismiss it, but I do feel--and I have suggested on many occasions in the past--that some percentage of the CPI, such as 75 per cent or 80 per cent--I think Sweden uses 60 per cent of the CPI as a general adjustment factor. I would see a significant argument in favour of that.

We heard this afternoon how the Anti-Inflation Board was a disaster. I think it was a disaster too, but for exactly the opposite reasons Mr. Pilkey gave. It failed because it was far too generous. It led Canadians to believe that they had a right to be fully compensated for inflation, which one cannot do. That was where it was a disaster. It created a notion in peoples' minds that it was their right, but it was a right that no government could deliver.

Mr. Wrye: In other words, you agree--and I presume this would be particularly as the income levels go higher--that in effect CPI is in some sense a false figure.

Mr. Beigie: The Economic Council of Canada and others have investigated that. It is not at all clear that the CPI and the inflation performance differs markedly across income classes. The biggest difference in terms of the CPI depends much more on the basis of the asset position that people have, whether or not they own their own home, what portion of that home they have paid off and so on, in terms of the real impact of inflation on their own wellbeing.

8:30 p.m.

Mr. Wrye: I quoted some figures late this afternoon, which you probably heard, regarding the first-quarter settlements in the overall sector, the manufacturing sector and the public sectors. I do not know whether you have had any opportunity to analyse the settlement levels over and beyond the first quarter. Is it your view that the settlement rates, private versus public, with the tracking that occurred in the first quarter continued beyond that quarter and that public settlement continued to run substantially ahead of private settlements?

Mr. Beigie: I have not studied those enough to know. I do know that the private sector settlements--and these settlements that we hear reported are not in any case an exhaustive treatment of what is happening--in many of the smaller communities of Ontario, among the smaller businesses, are zero if anything, and the private sector is experiencing massive cutbacks in settlements of a sort that will surprise us as the numbers appear. We are through the third quarter now, and what has happened in the past two will show a confirmation of the trend.

Once again, I do want to stress what I said at the very start of my remarks. I do not think it fair to say that the public sector employees of Ontario have inflicted inflation upon us, but the fact is that there is a lag in the public sector in terms of adjusting to what is a more natural process, given the fact that we have been forced to put ourselves through this kind of downturn. I think there is a differential lag and the kind of program that we have for one year seems to be a reflection of that lag process.

Mr. Jones: A couple of things have reoccurred through testimony to the committee. Again, this afternoon we heard Mr. Pilkey raising the allegation that public sector controls have an impact on reducing jobs in the private sector. I wonder if you have an opinion on that because it has had quite a bit of discussion.

Mr. Beigie: His position was, as I recall, that there is no evidence that this will have a positive impact on jobs in the private sector. Am I not right?

Mr. Jones: He also went on to say that layoffs have already occurred in the private sector. He tended to say it was a result of public sector controls.

Mr. Beigie: I am afraid I do not follow that.

Mr. Jones: He was saying that he felt public sector controls could lead to layoffs in other sectors, if I understood him correctly.

Mr. Beigie: Well, that could be so. This gets into a very complicated process. I could think of examples whereby people who have taken a 15 per cent increase and spent more on cars and other things will not spend that money on cars if they only get a five per cent increase. To be honest, that is the way the process works.

You have to couple that, which is a very short-run effect, with the alternative, the other side of the coin, which is that if we can get the general inflation rate, which has now become an inflation rate caused by a cost pass-through process, under reasonable control, and I would demand it if I were in a position to do something about it, then we could then have interest rates come down even more than they have now, and that reduction in interest rates would encourage the kind of stimulus to the Canadian economy which would generate a substantial amount on new job possibilities in the private sector.

Mr. Jones: It comes to my mind through all of this--in fact, my colleague was raising it this afternoon--that we have had the comment that public sector restraint or controls threaten jobs. We heard a lot about that from the people giving comment to the committee, but then others have questioned whether common sense would not cause us to think that those controls probably preserves jobs in the private sector. Given that public sector constraint and restraint is a necessity, then would it not follow that it would preserve jobs to have these controls on the public sector salaries? Does that not follow?

Mr. Beigie: You could make that argument. The democratic process is not going to continue to let governments print money and borrow money for an inevitable increase or an infinite increase in both the jobs that private sector has to bear the cost of and the wages that are paid for these jobs. I am the last to argue that the public sector, and I would think this is generally true in Ontario, represents huge wastes of money. I think this province has been pretty good in this area. But the fact of the matter is that there is a limit, especially in these kinds of economic times as to just how much the private sector is going to be willing to bear.

The point I am trying to drive at is that this province, probably to the best ability of any province in this country, has established a pretty good relationship between the private sector and the public sector. I have not heard in Ontario the notion that there are massive numbers of excessive jobs in the government sector of this province or that provincial employees are paid excessive amounts in relationship to the private sector. I cannot say that about a lot of other parts of this country, especially Quebec, where I spent 10 years.

I think that is a situation this province should try its best to preserve. I do not think it can preserve that if there is a perception that the private sector is under the control of recession, deep recession, and nothing is being done to try to slow down the rate of wage and other salary increases in the public sector.

Mr. Cooke: But you said this morning the province of Ontario was not out of control.

Mr. Beigie: I did not say it was now. Again, you are trying to anticipate.

Mr. Cooke: I do not understand.

Mr. Beigie: I would much rather spend money, to put it very bluntly, if there is going to be an increase in the deficit, which there may well have to be, to create more jobs that are creating productive activity in this province than to spend it for the purpose of raising the salaries of people who have secure jobs.

Mr. Wildman: I heard you talk about perceptions when you talked about the private sector being under the control of the recession, and also about the perception that you perceive that people do not believe the public sector is under that same restraint. Can I ask you if you think the perception is correct and whether we are dealing just in perceptions, or do you really believe that to be the reality in terms of the statistics we have seen on wage settlements in the public sector as opposed to the private sector.

Mr. Beigie: There are a lot of numbers thrown around and those numbers shape perceptions. One of my concerns has always been, as a policy analyst, to try to do what I can to clear up the facts at least. One of the misperceptions is about the government sector being out of control and causing a ruinous deficit situation. I think that is grossly overstated. It is true, however--and the experience of the mid-1970s is quite clear, and I think the experience that has been learned in the mid-1970s has been important--that in the summer of 1975 the noncommercial sector, which includes large amounts of public service employees, was getting average income settlements that were twice, over 20 per cent, of what was the case in the private sector.

Mr. Wildman: But is that happening now? That is what I am asking.

Mr. Beigie: No. The fact of the matter is it is still true that large segments of the private sector are being lucky to get any increase at all at this time and what they are looking for is a comparable amount of restraint in the sector that they do not think is effectively restrained. I have to say again, I have to go back to my argument, it is not clear to me how a public sector bargaining unit, which takes a perfectly logical standpoint, looking back it wants to have protection from the inflation that has been observed-- Fair enough. That is the catch-up mentality. The problem, however, is that in the private sector they have to go to be more forward-looking in terms of what is going on.

8:40 p.m.

Mr. Wildman: I just have one other question. You talked about the costs. I do not perceive you as saying that we have wage-push inflation. You talked about the cost pass-through situation. Are you satisfied with the price restraint portion of this legislation?

Mr. Beigie: It is going to be tough. I could just as easily argue that in certain sectors that program will be too tough in terms of getting the kind of capacity expansion that might be necessary in some of these sectors in the future. I would say that is even more true of the federal six and five program, which has a more lasting impact than this bill as I read it. I am not an expert on this bill. The program as I see it, has more flexibility in it for legitimate cost pass-through than I think is turning out to be the case in the federal six and five program.

Mr. Wildman: Except there is no cost pass-through for the workers.

Mr. Beigie: I accept that point.

Mr. Kerr: A few minutes ago we were talking about public sector controls and comparing them with the private sector. We probably look at averages and I think we are making sort of a generalized comparison. I am thinking of small businesses in the province right now that are in real trouble--bankruptcies, layoffs, cutbacks, people that are part of small corporations or small businesses who are pleading with their employer, "Look, we will take a substantial cut as long as we can keep working."

I would think the legislation we are discussing tonight, this restraint program, which will go down right to the municipal level and therefore affects the overhead and the costs of that small business, particularly from the point of view of municipal taxes, school taxes and general levies, would have quite a substantial effect on the future of that small business as to whether or not it can stay in business. Something we seem to forget is that one of the problems with the operation of many small businesses today is just a question of overhead, as well as a question of selling their product. Interest rates are part of it as well.

If there is less government spending, less government taxation and less government, period, crawling all over them, that small business has a better opportunity to survive. If there is a restraint program and if there is the psychology of restraint and cutting costs, it may encourage them from the point of view of continuing to operate, sell their products and even probably arrange financing to carry on.

Mr. Beigie: I have to say that I do feel that there is a tendency, especially in this kind of a time, to forget that there are very legitimate roles that government play in our society, and that somehow we have to bear the costs of good government. The

real issue becomes the question of whether that government is on the line in terms of effectiveness or below the line in terms of effectiveness, in terms of the total cost that is being imposed on the private sector.

People like myself have got to argue for the fairness of public sector employees being given the equivalent of good employers' wages and not, as I think is the case in the United States, to try in a totally different system, in effect, to exploit certain segments of the government employees.

The point really comes down to whether or not the people of Canada, the people of Ontario, perceive that-- I do not know whether I have the floor or not

Mr. Chairman: I was trying to get a little attention without banging the gavel. Gentlemen, we are running overtime now. Would give us your attention so we can do this quickly. Give the professor a full chance to answer the question. Go ahead, professor.

Mr. Beigie: The perception is that the good employer today in the private sector is having to exercise substantial restraint. If the impression is, with the profit decline in this country of the magnitude that is being experienced, well over 30 per cent, that the business sector is not also sharing in sacrifice along with the employees in the private sector, then somebody has got a distortion of the view.

The perception is that in the public sector, where the chances of layoff are zero, the chances of being laid off are less than in the more risky private sector, there has to be some sharing on what is an equitable basis of the sacrifices that are necessary.

Mr. Chairman: Thank you very much for your assistance tonight. The next group is from the Peterborough Labour Council. Betty Julian, I might point out this afternoon that what we are hoping is that you will summarize your brief rather than reading it to us, if you would, please.

Ms. Julian: It is very short. I am here just as a worker from the Peterborough Labour Council, not as an economist.

Peterborough Labour Council is completely opposed to Bill 179. We would like to see it withdrawn completely. We would sooner see the restraints applied to other prices that the government could control, such as gas, OHIP premiums, rents, hydro, etc., so we could make ends meet. These are certainly not luxury items, but the necessities of life.

In no way will Bill 179 help our community and, in particular, it will not send our many unemployed back to their jobs. The Peterborough Labour Council represents over 10,000 workers. Some of our affiliates include locals in the United Steelworkers, United Electrical Workers, Food and Commercial Workers and public sector employees as well, such as the Canadian Union of Public Employees, the Ontario Public Service Employees Unions and the Canadian Union of Postal Workers.

This wide range of unions represents what used to be an industrial city. Over the past few years employment in our industries has declined sharply due to layoffs which have substantially reduced our operations in our mainstay, our factories.

Our largest employer, Canadian General Electric Co. Ltd., once employed 5,500 people in 1975. Now it is down to an all-time low of 3,900. At this factory alone there have been more than 700 layoffs this year.

Another major employer, Outboard Marine Corp. of Canada Ltd., is operating at about one quarter of its former strength. They completely closed down snowmobile operations and chain saw plants. The few left are on a job-sharing program which will run out in November. This was supposed to help get them over the rough times, but when that runs out about 200 of them are going to go on another 11-week layoff.

These are examples of two of our major industries. Many of our smaller industries, such as Silverwood Dairies division of Silverwood Industries Ltd. and Alfa-Laval and Nashua Canada Ltd. have laid off over half of their work forces as well. Westclox Canada Ltd., another major employer, thought it would really beat these layoffs. The employees really knuckled under to concessions in order to hold their jobs. They were on a work-sharing program and conceded to a one-year price freeze, but their reward is 45 more layoffs.

With no customers, countless small businesses are going bankrupt every month. This much unemployment in a city of 60,000 shows what kind of a desperate situation we are in. Once you are unemployed in Peterborough, there are not too many streets you can walk up to find another job.

Peterborough is also a tourist town, but with all the bankruptcies there are few tourist attractions left, so our unemployed are being our tourists, and they do not spend too much money.

8:50 p.m.

So can anyone tell me how limiting the pay increases of the public sector employees in our community to five per cent is going to help the economy and the unemployment picture in Peterborough? Are these workers, many of whom are lower-paid clerical workers for the Ontario municipal governments, the hospitals and community colleges, going to be buying the fridges and stoves that our General Electric plant produces? Are they going to be buying outboard motors or lawnmowers from Outboard Marine; or will they be able to buy cars, or even the watches made at Westclox? It is not too likely with a raise that is leaving them behind inflation.

There are already too few private sector employees able to spend in Peterborough on appliances, houses, etc., with the interest rates at an all-time high. How are wage restraints on public sector workers going to put the members of our labour council back to work in our city?

The decreasing ability to buy products produced in Peterborough results in even greater unemployment in our city. The wage restraint program proposed by the Ontario government does not make economic sense. What we need is jobs, not pay freezes. We need more disposable income in our community, not less.

The Ontario government should withdraw Bill 179 and propose instead an economic strategy which will help create jobs in our city and in this province.

Mr. Mackenzie : Does the sister from Peterborough feel there is any merit in trying to amend the bill in any way at all?

Ms. Julian: To me, that seems like asking a person on death row which way they would like to go, the gas chamber or hanging. I do not see there is anything in this bill we would like to see amended. I would like to see it withdrawn.

Mr. Wrye: Let me take that a step further. If, in the course of the next two weeks, this committee is to propose an amendment or to propose that the bill be withdrawn and killed and that would be our report back to the Legislature, and if the vote of this committee is not to do that--and I would remind you that the government has six votes and the opposition has five--at that point would you propose to send the bill back to the Legislature unamended, or would you propose to provide an amendment to include the doctors in the scheme? Yes or no?

Ms. Julian: No.

Mr. Wrye: You would not include the doctors?

Ms. Julian: I think they should be restrained if there are restraints, but I do not see the purpose of restraints.

Mr. Wrye: I am suggesting to you now that the motion has been put in this committee and that the bill has not been withdrawn. Would you propose that the doctors be part of the scheme?

Ms. Julian: Yes.

Mr. Wrye: Would you propose that controls on OHIP prices at five per cent be part of the scheme?

Ms. Julian: I do not like to see any controls.

Mr. Wrye: Would you propose that the workers on the lower end of the wage scale be given greater notching than is proposed in Bill 179?

Ms. Julian: I said at the outset that I would like to see Bill 179 withdrawn entirely, so I do not want to discuss amendments to it.

Mr. Wrye: Let me suggest that what I am trying to elicit from you is whether, if and when the bill is not withdrawn--I do not suggest the Treasurer is here because he is about to withdraw

the bill; I will certainly give him the floor if he would like to announce that he is about to withdraw it.

Hon. F. S. Miller: Do you want me to?

Mr. Wrye: I said I would certainly give you the floor-- We would propose a very different bill, as you know, Mr. Treasurer. All that I am asking you is, do you want the bill as it stands now if it is not withdrawn, or do you want amendments?

Interjection: Defeat the bill.

Ms. Julian: I should like to see it defeated.

Mr. Wrye: You would like to see it defeated.

You heard the last witness before our committee. I realize I am risking the concerns that have been stated a number of times, and I am very sensitive towards trying to play off the private sector against the public sector, because I think it is a very unfair play. Perhaps you could describe what you believe would be the reaction of private sector employees, many of whom are laid off in your community, to a public sector which would continue to bargain collectively in a totally unfettered environment, as if the existing economic emergency in this country did not exist, without substantial layoffs--there may be some?

What has been the reaction of the private sector employees, and what would the reaction be?

Ms. Julian: In my own community, the public sector employees within the labour council have not enjoyed any increases over the last years that have been any greater than those of the private sector employees. So I believe that they are bargaining under basically the same conditions. When they come to negotiations, if the private sector--

Mr. Wrye: How many layoffs have there been in the public sector in Peterborough?

Ms. Julian: Just recently we have lost a good number from chest clinics. Very close to Peterborough layoffs have been announced at D'Arcy Place, which are upcoming, I understand.

Mr. Wrye: Which is?

Ms. Julian: It is a mental retardation centre.

Mr. Wrye: That is among the layoffs the Minister of Community and Social Services (Mr. Drea) is proposing?

Ms. Julian: Yes.

Mr. Wrye: The layoffs you have mentioned do not appear to be anywhere near as deep as those in the public sector. I am not suggesting that we add to the agony in the public sector that which the private sector has suffered but I sense--

Let me come at it another way. My friends over here may not like it. Taking it the other way, I certainly do not want to antagonize the private sector with the feeling that the public sector is not sharing some sense of the sacrifice.

No one likes it. My friends here may think that everyone likes it, but I would be happy if the unemployment rate was zero today, because I have lots of friends who are unemployed right now.

Let me ask you whether the employees in the private sector have any concerns over a public sector that in a sense would continue with business as usual.

Ms. Julian: I am not about to read their minds, but I am here as a representative of a labour council which includes both. There has not been any antagonism within the labour council to the public sector unions.

Mr. Wildman: May I ask a question?

Mr. Wrye: It is a little late, after we heard the gentleman before for--

Mr. Chairman: Yes, but there were questions being asked.

Mr. Wildman: I just have a question.

Mr. Chairman: Yes, fine. Go ahead.

Mr. Wildman: I just wanted to point out to the deputant that in this committee there are actually nine government votes, not six. But I wanted to--

Mr. Wrye: I have a point of privilege.

Mr. Chairman: Yes, what is your point of privilege, Mr. Wrye?

Mr. Wrye: I would ask the member to withdraw that. The last time I checked, the number of people on the government side represented on this committee was six.

Mr. Wildman: I really had a question.

Interjection: Explain what you meant by that nine.

Mr. Wildman: I think that is obvious.

The question I have is: do you think that the kinds of arguments that are being presented, not just in this committee but both in the Legislature and outside it, which say basically that, because the private sector is in major trouble, as you have pointed out in Peterborough, and because of our layoffs in the private sector companies, that the private sector workers are in favour of those workers who still have jobs getting less money than the agreements they have already signed would entitle them to?

Do you think that is a true argument? Is that how people in the private sector who believe in the collective bargaining system think?

Ms. Julian: I know that no one in my labour council is in favour of, for instance, the rollbacks that the public sector is being subjected to for this year.

Mr. Chairman: Thank you.

The next group is the Elgin Women Teachers' Association. Would you please sit down? Will your spokesperson identify the members of your group?

The brief being circulated will be exhibit 34.

9 p.m.

Ms. Mungar: Mr. Chairman and committee members, my name is Jean Mungar. I am representing, as its president, the Elgin County Women Teachers' Association, comprising 297 members.

I hope some of you have had a chance to look through the brief. I know you have asked us to speak to it, but I think that with the time element it is much easier to read, then we do not get confused.

Women teachers are strongly opposed to any controls which govern wages and not prices. We have received correspondence from Premier Davis, dated October 12, wherein he said the government was currently working on new initiatives for the generation of employment and the stimulation of economic activity.

Prime Minister Trudeau, in the first of his TV series, challenged Canadians to unite, tighten their belts, and attack this situation head on. On the third night of his TV programs, he again challenged us to do more to ease the pain of this sick economy. Throughout his presentations there were no indications that these initiatives that they had been currently working on were forthcoming.

In his letter, Premier Davis also said that we should respond to both the pressures of inflation and recession voluntarily. I ask you, how is Bill 179 going to have us voluntarily accept this?

Another letter, received from Mr. Ron McNeil, MPP for Elgin, made the same sort of comments concerning a series of initiatives that were being currently worked on. His letter was dated October 6; that was within 10 days of the September announcement of Premier Davis and Treasurer Frank Miller that the inflation restraint program was put into place. As yet I have not heard any more of these initiatives coming to the public. The only thing we can see in the Ontario inflation restraint program is that it is going to put a greater financial burden on us.

In his letter, Mr. McNeil stated, "We do not expect public sector workers to accept wage restraints without some measure of

relief on prices." He also stated that further announcements regarding "major regulated prices" would be made in the near future. We say now is the time for regulated prices on commodities as listed in our brief and not on such commodities as hunting licences.

With such high increases in the stated commodities it is assinine to imagine that we can afford to pay these prices if you are going to limit us to five per cent as outlined in this bill. We as public sector workers do not accept wage restraints, as they will do nothing to control the real consumer cost, nor will they create jobs.

Speaking to our collective agreement, of course in Elgin we have not kept pace with the consumer price index; I realize the gentleman who spoke first spoke about that. During the last round of negotiations we in Elgin were very concerned about the economic situation. As a result the teachers were very willing to take a low percentage increase in order to do our part with restraint in this economic period.

Our board is very concerned with the issue of budgeting and one of our board members is quoted in the paper as calling it "penny-pinching" if they were able to stay within their budget. They are looking at a very large deficit in their budget, and of course that in turn will create a serious cutting of our programs.

Take note that the cutting of programs will be at the expense of the children in our system, resulting in a lowering of our standard of education. Please, we ask, withdraw this bill, in order for us to maintain a high quality of education for our children.

Another item we are adamantly opposed to is the loss of the right to free collective bargaining, a right we now have and one we insist on maintaining. We ask that our basic rights be maintained as the economic situation does not justify the denial of these basic rights.

I want to quote from the Labour Relations Act, which states, "It is in the public interest of the province of Ontario to further harmonious relations between employers and employees by encouraging the practice and procedure of collective bargaining between employees and trade unions as the freely designated representatives of employees."

Bill 179 is not in the public interest when we must give up the right to arbitration, mediation and strike. We say this bill is destroying our civil liberties and eroding our human rights. Our stand is firm on this issue. Withdraw this bill. Let us retain the right to free collective bargaining.

Another item we look at are those teachers in Elgin who are nearing retirement age. The five and six per cent--I don't know whether you realize or not--will affect their pensions. They're taking a cut now with five and six per cent. They'll also take a cut when they retire because on their years of service and their

salaries depend their pensions. I'm quite sure the expenses these people have to put out will not be similarly reduced.

It would appear with the number of briefs being submitted that the public sector workers are very unhappy. We hear of many different things being announced in the near future. We ask, when is that near future? We say act now, don't restrain our wages. Create programs to help the unemployed. Listen to the people and what they're saying. Again, I have some quotes.

From Premier Davis from the Ontario Legislature of September 21: "It is Ontario's view that sustaining and creating employment should continue to be this nation's highest priority and there are two key objectives the government are working on: creating and sustaining employment and effectively lowering the rate of inflation." How does Bill 179 answer these objectives?

Another quote from a researcher, Professor Reid, says, "There is little evidence to support the widespread belief that public sector wage settlements have been an important factor in recent inflation."

We the teachers of Elgin county are vehemently opposed to the passing of Bill 179 and request its withdrawal. Bill 179 is singling out one particular sector of the population, a mere 12 per cent, and does not address the economic situation.

Mr. Wrye: What is the effect, in terms of your perception of Bill 179, of the 8.4 per cent increase announced by Ontario Hydro today?

Ms. Mungar: I'm saying if we get five per cent, why should Ontario Hydro get eight per cent?

Mr. Wrye: What is the effect of the statement by the Treasurer in the Legislature that an increase in Ontario health insurance plan rates of about 17 per cent--I believe that's the correct figure--which was announced last May but not due to take effect until October 1 of this year would not be rolled back in the light of the fact that some wage settlements were rolled back? Do you think that's fair.

Ms. Mungar: No, and if you look at my brief, it noted some of the percentages we're in disagreement with.

Mr. Wrye: You think if both were limited to five per cent--I'm not going to ask you if it would diminish the opposition, but at least there would be an understanding that some effort was being made on the price side.

Ms. Mungar: No, I would say withdraw the bill and create some jobs.

Mr. Wrye: There would be some understanding that there was at least some effort on the price side.

Ms. Mungar: There might be.

Mr. Wrye: That's my question. I'm not suggesting withdrawal of the bill or otherwise.

9:10 p.m.

Mr. Bradley: First, I fully recognize that your position is that you want Bill 179 withdrawn completely and that you feel the legislation is defective probably because there was no consultation previously and because it zeros in on one sector. I did hear you mention job creation. Let me look at two areas.

Suppose there was a situation where the Treasurer or the opposition parties combined with what the government is prepared to do on its own--because it has the right and spending powers to place amendments we do not--amended the bill to eliminate many of the areas of objection of your organization.

Suppose the Treasurer said the so-called savings from this restraint program in terms of compensation for those in the public sector were to be channelled into two areas. First, direct job creation; second, the alleviation of economic hardship for those who either are unemployable or in the present circumstances are unlikely to find employment; in other words, those particularly who are leaving unemployment insurance and going onto welfare. If he were to give an assurance--and I recognize it's a hypothetical question--that the money could be channelled into that area would that then be---

Interjection.

Mr. Bradley: Say that again, Mr. Mackenzie.

Mr. Mackenzie: I've never heard of anybody trying to get--

Mr. Chairman: Come on, I'm getting a little tired of the interjections from behind the Liberals as they put their position.

Mr. Mackenzie: Their position's pretty obvious.

Mr. Chairman: Fine, but your comments are getting repetitious. Now, please.

Mr. Mackenzie: So are the questions.

Mr. Chairman: That's fine, but it is their right to put them without interruption.

Mr. Mackenzie: I'm not stopping them from putting them.

Mr. Bradley: Yes, you are disturbing this hearing.

Mr. Mackenzie: Do you want to throw me out or something? Is that what you're looking for?

Mr. Chairman: No, I don't have that power, Mr. Mackenzie.

Mr. Mackenzie: You sure try to use the power you've got, I'll tell you.

Mr. Cooke: You're right, Mr. Chairman, the Liberals do have the right--

Mr. Bradley: You have placed a great emphasis on the channelling of money into job creation. The Treasurer will contend they don't have the money to channel into job creation, but if they were to use that money saved, would it then be a more acceptable piece of legislation than it is at present?

Interjection: No.

Mr. Bradley: I asked the people who were at the front here, not those at the back.

Ms. Mungar: At the moment, as I've already said, we've been hearing that the government is currently working on these new issues. We have heard no results and what we would ask is, when? I say no, withdraw the bill. Do something to create jobs.

Mr. Bradley: What if the government says that--and there may be some validity to the claim because of the revenues they're simply not getting in. The deficit is soaring, rather rapidly I would suggest, towards \$3 billion. The Treasurer will say that's a little on the alarmist side, but it is soaring both at the federal and provincial level.

If the money isn't there, and the only manner in which he feels he can gain this money is to put the restraint program in, if he were to channel that money into job creation, would that be more palatable than under present circumstances where we see no specific programs of job creation?

Ms. Mungar: You keep saying "if." It's already been stated that it's Ontario's view that sustaining and creating employment should continue to be this nation's highest priority. I'm saying it's not. Do something about it. Withdraw the bill.

Mr. Bradley: If you withdraw the bill and the Treasurer says, "We don't have the money for job creation," while that may or may not be valid, what then? We don't have the job creation. We simply have a drift.

What I'm saying is, if they happen to use that money saved for job creation, is that more acceptable?

Ms. Mungar: Why haven't they, instead of taking time on this?

Mr. Bradley: Because right now they don't have the money. Their intention is--

Ms. Mungar: All right, then why say creating jobs is their highest priority and they're sitting doing nothing about it?

Hon. F. S. Miller: May I interject, Mr. Chairman? We did

spend half a billion dollars this year in this budget on job creation.

Mr. Bradley: My next question would refer to the issue of transfer payments to municipalities and boards of education which we discussed in the House this afternoon. I am going to contend that this is going to be something which has perhaps even far greater ramifications than the compensation restraint program.

What kind of representations has the Federation of Women Teachers' Association of Ontario made in terms of the kind of transfer payments the province would make to boards of education this year?

The Treasurer in the House would not assure us that those transfer payments would be over five per cent. In fact, the Minister of Municipal Affairs and Housing (Mr. Bennett) suggested next to nothing. What kind of representations have you made in that regard to the Minister of Education (Miss Stephenson) and the Treasurer on transfer payments?

Ms. Mungar: To my knowledge, the group I work with hasn't made any.

Mr. Bradley: I'm going to suggest that one area where considerable pressure has to be placed is that of transfer payments. Ultimately it's transfer payments which will determine whether or not programs will continue to exist. That's the area where you really have to place a good deal of emphasis. Without the transfer payments, you will have not only lower wages and salaries, you'll have fewer jobs.

Ms. Mungar: I realize that and that comment is also contained in my brief.

Mr. Wildman: With regard to the hypothetical questions that were being asked by my colleague from St. Catharines, I think the purport of what he was saying was that if you had the assurance that moneys would be put into job creation-- My question is with regard to assurance. Are you aware the Premier gave the public sector unions the assurance in February that there wouldn't be public wage restraints?

Ms. Mungar: Yes.

Mr. Wildman: I wonder whether or not you would be comforted by a government assurance at this time that money saved as a result of this legislation would be put into job creation.

Ms. Mungar: I might consider reading it if it was written down.

Mr. Chairman: Thank you very much for your presentation.

The next group is from the Ontario Public Service Employees Union, Colleges of Applied Arts and Technology. I understand there are two groups, each from the same organization. One is on the

academic negotiating team and the other is the support staff. They each have briefs.

I understand you're going to sit at the table together, give your briefs separately and then be asked questions at the same time?

Mr. Lord: I think singly would be better, Mr. Chairman.

Mr. Chairman: What did I say?

Mr. Lord: You said together.

Mr. Chairman: No, I'm sorry, you'll singly give your briefs but be asked questions together. Are both organizations at the table now? How many other people are in the other organization? Fine, would you carry on then?

Mr. Piché: Mr. Chairman, I think we know their position. They've been yelling for the last half hour.

Mr. Mitchell: Mr. Chairman, can you identify the numbers?

Mr. Chairman: Yes, the yellow one is exhibit 35 and the one following the support staff will be 36. Fine, carry on, sir, and identify the people on each side.

Mr. Lord: I'm Eric Lord. I'm chairman of the negotiating team for the CAAT academic unit. On my right is Frank Green, a member of the team, and on my left is Grant Bruce, the negotiator.

I'd just like to preface my comments on the brief by saying I find it difficult to really believe that we're here in a committee to deal with justice looking at this legislation, the most repressive, unjust and unfair legislation which I think has ever been produced in this House.

I speak on behalf of 7,000 teachers, librarians and counsellors in Ontario's colleges of applied arts and technology. We ask you to look beyond the simplistic financial constraints highlighted in Bill 179.

To the staff and students in our college, this act is not an inflation fighter. It's not a simple one-year remedy designed to combat fluctuating interest rates, subnormal productivity, pumped-up prices, unacceptable employment and stagflation in the province's economy.

9:20 p.m.

To the college staff and students, Bill 17, albeit unintentionally, will deny students a quality education. It will discourage faculty and it will fuel the undesirable adversarial relationship existing between faculty and administrators.

Ontario's community colleges are an enviable resource, a success story that the province can be proud of. In their 15-year existence, the colleges have helped more than one million

residents of this province to acquire the skills and knowledge necessary for a productive, rewarding career. From the academic year 1977-78 until 1981-82, full-time enrolment in the colleges has increased by 33.56 per cent. Today more than 135,000 full-time students and more than 650,000 part-time students look to Ontario's colleges of applied arts and technology for higher education.

The Minister of Education (Miss Stephenson) stated in Vancouver: "The CAAT system is not only flexible, but it is also efficient. A recent study shows that productivity gains of more than seven per cent annually have been realized over the past three years." I would like to comment that there are very, very few other places, either in the private or public sector, that can boast that sort of productivity increase. The teachers, librarians and counsellors are proud of these achievements, but with growth there are pains.

This year the college system is bursting its seams. An enrolment increase of 9.8 per cent at community colleges throughout Ontario has forced some colleges to hold night and weekend classes to cope with a unprecedented flood of students. At Humber College 15,000 applicants were turned away. Their buildings are full morning, noon and night. They are running three full-time programs on weekends only, from Friday night to Sunday night. At Mohawk College in Hamilton some students attend classes on the night shift.

To further accommodate this flood of students, many are attending classes in converted factories, public schools and any other space the colleges have been able to rent. At Seneca College there are 50 portables on its Finch campus alone and the college has rented three nearby public schools.

The dramatic increase in space utilization has been a major factor in heading off the burgeoning demands of an ever-expanding student population. Every college, large or small, reflects this expansion problem. Enrolment growth is not a one-year phenomenon. This growth has been continuous throughout the 15-year history of the colleges.

The college facilities show signs of wear and tear. The scars on the faculty are less obvious. You cannot always see the consequences of overwork generated by increased class sizes, overcrowded classrooms and outdated laboratory equipment. At the bargaining table, negotiators for the faculty have sought discussion this year on class sizes, hours of work, duration of working days and weeks and work related to instruction, that is, course preparation, student evaluation, curriculum development, special assignments, such as high school liaison, academic counselling and so on.

The adoption of Bill 179 will end these discussions. In fact, the anticipation of possible government restraints has cast a shadow over negotiations during the months from May to August of this year. Negotiations this year have been less than productive. Bill 179 is designed to curb salary demands. For the colleges Bill

179 signals an end to collective bargaining on the faculty's first and foremost proposal, work load.

Last May the CAAT academic bargaining team presented extensive proposals to management on the issue of work load. It is a complex issue, which was last discussed in depth in 1974-75. For reasons which are not relevant to the justice committee, work load was not fully addressed again in negotiations until this year. As was pointed out earlier, no progress has been achieved. Because of Bill 179, progress will not be achieved and cannot be achieved. Yet the colleges will still be expected to grow next year, the year after, and the year after that.

Who among you will vote to limit enrolment in the colleges? Who among you will deny higher education to the citizens of our province?

Financial constraints already make a college education inaccessible for thousands. In 1980-81 over 50,000 potential students had to be turned away. If all the qualified applicants were admitted, the college system would have to expand by an extra 25 per cent. Because of underfunding, these potential students were denied accessibility, although qualified. This year applications again outstripped first-year openings by 50,000.

The implications of fiscal restraints are that colleges will become increasingly unable to take all of the students wishing to benefit from a college education. Colleges will have to be more selective with respect to qualifications. The system may no longer be able to afford to take marginal students who would add to increasing attrition statistics. Colleges will have to increasingly move to eliminate programs that do not yield a high rate of return in employability.

A continuation of restraint on the college system is forcing the colleges to move towards providing more highly specialized, more highly technical training in support of specific employment demands. Colleges are limiting, and in some cases eliminating, services to their client communities. More and more of the traditional soft programs are being wound down in favour of the hard, employment-generating programs.

Community colleges are being forced to change their original concept of the community, as envisaged when the CAAT system was founded. Accessibility is becoming less so. Higher education is a public service in a society like ours that depends on science and technology. Higher education fosters equal opportunities. The proposed restraint program will hit higher education in ways which surely were not intended.

A five per cent increase in funding must force colleges to close the doors to thousands of qualified applicants. It will necessitate a reduction in staff and a consequent increase in the work load of the staff that remains--all this on top of a restraint program which has hobbled the colleges for years. Annual operating grants have not kept pace with inflation.

In five years the Ontario government has allowed its financial support for colleges to fall by more than \$50 million short of requirements. A recent government task force stated that "some valid and necessary college services can no longer be provided." While the consumer price index has risen 59.5 percentage points from 1976 to 1982, provincial operating grants have increased only 43.1 percentage points, or a difference of 16.4 per cent.

The introduction of Ontario's public sector restraint program in 1975 was designed to reduce inflationary pressure, to allow the private sector more room to expand and to reduce the level of provincial debt. An objective of the restraint program was "to maintain the existing standard of basic public services through improved management of the public sector," according to the Honourable Frank Miller, Treasurer of Ontario, in 1980.

Are we seeing the erosion of post-secondary education? Our view is that since 1976 there has been a steady decline in the quality of education in the community college system. This erosion of post-secondary education has been the consequence of the fiscal restraint strategies of both the federal and provincial governments and the current provincial-federal funding arrangements. The funding arrangements took place within the context of restraint and have further added to the decline in quality of education. An examination of the operating support in terms of constant dollars for full-time equivalent students reveals that in 1978 the colleges received \$2,240 per student. In 1981 the colleges received \$1,820, or a reduction in real dollars of \$420 or 20 per cent.

Our appeal to this committee is made with the quality of education in mind, with the viability of the colleges as one concern, the accessibility to students as a second concern, and the health and productivity of our teachers, librarians and counsellors our third concern.

Bill 179 is intended to limit salary increases, but if passed it will limit access to the colleges and it will eliminate meaningful discussion between faculty and college administrators on the very important issue of work load. College management has applied a yardstick, suitable in a factory environment, to the classroom. Administrators speak of "achieving greater maximization of our human resources." They say, "We are moving to reduce the number of student contact hours per week while increasing the number of classroom weeks per year in order to meet the permissible limits of the teaching load under the contract."

Management has translated a deep concern for teacher productivity into a production-line standard of so many bodies taught for so many hours. While such a system works in a factory, it does not work in an educational environment. This production-oriented approach of the colleges has resulted in the erosion of needed time for evaluation, class preparation, curriculum development and general attention to students. Such an approach has led to the deterioration in the quality of education a student receives, and in the standards of excellence.

9:30 p.m.

The system of college education as we know it is being slowly eroded and this process is accelerating. Since the restraint program began in 1975, we have seen a marked increase in class sizes, reduction in courses and program hours, elimination of programs, layoffs and transfers, full-time courses offered in the evening and on weekends, teaching assignments unrelated to the teachers' area of expertise, reduced numbers of counsellors and librarians, and faculty and students forced to use outdated equipment. Each of these changes has been a cause in the deterioration of the quality of education.

In the midst of these changes and in the midst of an enrolment growth, there has been, surprisingly, a large number of faculty layoffs in the college system in the past several years. These layoffs generated, and continue to generate, costly grievances that are divisive and damaging to staff morale. It is clear that it is necessary to bring about changes in the job security provisions of the collective agreement. Again, as with our work load proposals, discussion on the issue of job security will be hampered, and perhaps eliminated, by the passage of Bill 179.

The bill does not clearly spell out the mechanism for the negotiation of nonmonetary matters within a collective agreement. Even if discussion of nonmonetary issues is begun at the negotiating table, a resolution will be difficult to achieve because Bill 179 suspends the right of CAAT academic faculty to strike and denies access to third-party resolution of disputes arising in negotiations. The bill says negotiations may continue on nonmonetary issues. Unless there is a possibility of sanctions being applied by the employees, or the possibility of binding arbitration, the discussions will obviously be fruitless.

Finally, on the issue of salary, Mr. Davis announced that the act would impose a one-year restraint, amounting to five per cent, on wages, but the academic bargaining unit is caught in the two-year control program, providing a transitional increase of up to nine per cent and a further increase of five per cent in the second year. We had recently rejected a contract offer and were about to resume collective bargaining. The passage of Bill 179 would prevent meaningful negotiations until 1984.

The passage of Bill 179 would also have the effect, not for one or two years but for the rest of their lives, of reducing the pensions of all faculty who are in the last seven years of service before retirement. It also prevents faculty who spent their own time and their own money in improving their qualifications in order to perform a better job from moving on the salary grid by the artificial barrier introduced by the legislation.

At a meeting in December 1981 of the presidents and vice-presidents of the six colleges of applied arts and technology in the Metro region of Toronto, it was revealed that a cumulative total deficit of \$14,591,796 would be incurred for 1982-83 if the

current level of services were provided with the anticipated funding. Because of the increased student enrolment, this deficit is bound to grow. In a letter to Dr. Stephenson the presidents wrote:

"For deficits of this magnitude to be rationalized, it will be necessary for these six colleges to take strong measures. Such measures are expected to include reducing the year to maintain quality and increase efficiency, rationalization of programs, the establishing of some common services and some changes in organizational structure. These measures emerge from an exhaustive consideration of the operational imperatives stemming from the projected deficit. My colleagues and I hope for a meeting with you to discuss these serious matters in detail.

"The Metro presidents and vice-presidents request that the colleges be permitted to return to charging continuing education fees not based on \$1 per instructional hour, but a rate more accurately reflecting costs. You are asked also to consider permitting colleges to charge transportation, incidental and laboratory fees, particularly in high-cost programs. Such would be in keeping with your ministry's policy of encouraging the payment by students of an increasing portion of the cost of the educational services they are receiving, and would be in addition to the anticipated increase in student fees.

"Finally, we wish to bring to your attention now the serious situation confronting these six colleges." Remember, this is a college president saying this. "Your concern re layoffs and terminations of staff and faculty is well known. We feel that courtesy demands that you be informed directly, before it appears in the press, that several hundred people currently employed by the Metro colleges face the real prospects of layoff or termination in the next six months."

So much for the security in the public service.

Other proposals from other colleges to maximize productivity include removing the current limit of teaching hours, increasing the teaching days, increasing the annual hours, increasing class size, laying off academic and support staff, program cuts, stringent enrolment quotas, reduced instruction hours per week and a longer school year.

In short, Bill 179 will do nothing for the most critical problem faced today by Ontario's colleges of applied arts and technology--the quality of education. Bill 179 will generate more unemployment as faculty are laid off because of reduced finances, and it will generate unemployment in Ontario in the most important age group, the 19- to 25-year-olds. For these young people, Bill 179 will delay the acquisition of knowledge and the skills needed for productive careers. We ask that the justice committee recommend that Bill 179 be scrapped.

Mr. Chairman: Thank you. Is it agreeable that the other presentation be made and then questions be asked? Yes? Thank you.

Perhaps one of you could move a bit and make two chairs available. Fine. Thank you. Carry on. Would you identify yourselves, please?

Ms. Allan: I am Bev Allan, chairperson of the CAAT support negotiating team, and Jill Pflanzner is the vice-chairperson.

This brief is prepared by the Support Staff Negotiating Team, which represents 4,700 support staff in the community college system. As chairperson, I speak for all these people: custodians, clerks, secretaries, technicians, technologists, to mention a few. We are an intricate part of the learning process. Without us, the colleges would not function; the students would not graduate. Without us, the environment would not be conducive to learning.

We are, once again, being subjected to a political game plan that will restrict our democratic rights, not only as community college workers but as taxpayers and Canadian citizens. It is beyond me to understand how anyone can hold the support staff in the colleges responsible for the economic plight in Ontario, as the majority of us make less than \$15,000 per year.

Sixty per cent of our membership are women and a great many of these women are sole wage earners for their families, not only single parents, but spouses of laid-off workers from other industries, that is, the Windsor area, the Sudbury area, the Hamilton area, etc. Many of these people are already in subsidized housing because of low income and use subsidized day care. Those people thought they could not be degraded any more until the Davis government introduced its repressive bill.

Our wages were 10 per cent lower than the rest of the public service represented by the Ontario Public Service Employees Union, even though we had a special catch-up last year and were promised another catch-up this year, as well as in 1983, which would have had to be in the area of 16 per cent per year.

Mr. Chairman, this bill of your government will guarantee that for a period of at least two years, until August 31, 1984, our members will fall further behind their counterparts in the public and private sector. Equitability is the new buzzword when it comes to sacrificing, yet no one can tell me that five per cent of \$15,000 is equal to five per cent of \$40,000. Mr. Brandt confirmed this by letter to Ms. Pflanzner in August 1982. We do not get a discount based on salary level when it comes to paying the rent or the hydro, which went up today, or mortgages, yet we are expected to share the burden equally.

9:40 p.m.

In 1979 our members went on a legal province-wide strike in order to seek some economic justice. We had the right to strike. We know what it means to be on strike. Have any of you at this table been forced to go out on strike to provide the basics for your family? Was our strike so effective that this government needed to take away the right to strike from us?

When "god" created colleges--and I think we all know who god is--they were funded abundantly and were in a period of rapid growth. Now the walls of the colleges are bursting with students as never before, yet the funding has been deteriorating--five per cent this year, I think. This has resulted in the cutback of services to the students and the community, layoffs of staff, etc.

Seventy-nine per cent of the college dollar, we are told, goes towards salaries, but 4,700 support staff receive only 10 per cent of that dollar, while management personnel, who are approximately 1,500 persons, receive 35 per cent of that dollar. We are supposed to be equal partners--what a sinister joke--in the learning-teaching process, yet we are third-class citizens within the system. Management personnel receive 10 days sick pay; we receive eight. They receive 100 per cent dental plan; we receive 60 per cent. I guess they mostly have dentures; I do not know. Their base vacation plan is much greater than ours and the list goes on.

Can you honestly say to me, or us, that we have caused the economic plight in Ontario? This bill is a union-busting tactic as surely as anything that has happened in any country to date. Our members are bitter, frustrated and downright angry over your repressive Bill 179. We are rapidly losing faith in democracy itself. Nothing short of complete withdrawal of this bill will be acceptable to our membership. Give us back our free collective bargaining, give us back our right to strike and, most of all, give us back our dignity.

Mr. Chairman: Thank you, Ms. Allan. Any questions?

Mr. Wrye: On page 2 of your brief, you talked about a catch-up period this year and next and you indicated it would have been in the area of 16 per cent. Had there been something agreed upon? Could you enlighten the committee? You talked about the fact there was some special catch-up last year. Was there some agreement for this year?

Ms. Allan: They had promised that we would be in a catch-up situation for three years, to catch us up to the public service.

Mr. Wrye: You have made the comment that you would fall further behind your counterparts in the public and private sectors. Suppose the bill were to have greater notching than there is now present, which is 7.5 per cent as opposed to five per cent for those over \$20,000. Given the fact that in the private sector --and we have not heard from a number of them, but I think it is pretty clear, as Ms. Pflanzner from Windsor would know that--a lot of employees have been receiving no increase at all, if you were to get further notching, over and above the proposed notching in this bill, would you not begin to narrow the gap?

Ms. Allan: We do not agree with the bill at all and nothing you can do will help the members of the support staff.

Mr. Wrye: I know, but my question is, would you not begin to narrow the gap?

Ms. Allan: Not really, not at this point.

Mr. Wrye: I am not sure I understand why you would not narrow the gap between your counterparts in the public and private sector.

Ms. Allan: You are talking about the private sector.

Mr. Wyre: I am reading your words.

Ms. Allan: Yes. We are falling behind all the time and we do not agree with repressive legislation, so we do not want any of your amendments.

Mr. Wrye: I understand.

Ms. Allan: That will not help us.

Mr. Wrye: I am not sure I necessarily agree.

Ms. Pflanzner: The auto industries in the city are accepting--

Mr. Wrye: They received nine and six per cent, as I understand it, over two years and gave back paid personal days, which limits their increase to around 7.5 per cent and 5.5 per cent. We could argue about the figures, but it is somewhere in that neighbourhood.

Ms. Pflanzner: I understood you to say that some of them are accepting no wage increases.

Mr. Wrye: I am not talking about the auto sector. I am talking about other workers--and you are as aware of them as I am--who have received freezes this year--nothing. It seems to me that if you get something in the range of 10 per cent, you are going to be narrowing the gap somehow. It does not make sense that you would not be narrowing the gap.

Ms. Pflanzner: We would still be starving.

Ms. Allan: It is still a starving wage, so the gap is not narrowing.

Mr. Wrye: What I am suggesting to you is that, as sympathetic as I am to that, you have come into this round of negotiations through the process of free collective bargaining. What the hell has been going--

Ms. Allan: You just took it away from us.

Mr. Wrye: What has been going on for the last several years?

Ms. Allan: We just rejected a contract at 6.5 per cent.

Mr. Wrye: But what went on in 1981? You have entered this round of negotiations with a salary of X number of dollars. I may agree with you that you are well underpaid, but you have entered this point underpaid too. I am not suggesting that this legislation is improving your situation, but I am suggesting the situation did exist before and you got to this point before September 21.

Ms. Allan: Yes. We had free collective bargaining.

Ms. Pflanzner: We never recovered from the Anti-Inflation Board.

Ms. Allan: That is right. We were caught in a two-year contract under the AIB as inflation was going sky high. As we came out of the contract, we were hit with the AIB at that time.

Mr. Wrye: What did you receive under the AIB?

Ms. Allan: What did we receive? The basics of AIB.

Mr. Wrye: Six and four per cent, eight and six per cent, or whatever?

Ms. Allan: I cannot recall offhand, but whatever the basic was.

Mr. Wrye: Let me ask the first witness. You talked an awful lot about the long-term problem of the college. It is one, as former critic, I am very sympathetic to, with the kind of starvation the colleges have undergone at a time when, as you so correctly pointed out, demand has never been greater. This year the government has probably been caught by surprise again. As I understand it, the demand in colleges and in universities has been greater than ever before.

Now is probably not the right time to suggest it, but would you favour some kind of--it may be off topic a little bit, Mr. Chairman--a five-year plan so that colleges know where they are going?

Mr. Lord: Certainly. One of the problems in administration the colleges have is not knowing from one year to the next what they are going to get in funding and on manpower programs, not knowing even three months in advance whether seats are going to be purchased or not.

Mr. Wrye: I admit that is a real problem. It is certainly a problem in the community I represent.

To any of the witnesses, if the right of collective bargaining and the right to strike and/or arbitration were to be restored by this bill for all issues other than the narrowest definition of compensation, which is, I realize, very wide, but it does not get into staff levels and does get into health and safety issues, etc., allowing that it does not give you anything on the compensation side in terms of your wage packet, would that allow you to bargain more effectively with the administration of the various colleges?

Mr. Lord: If all the rights were restored?

Mr. Wrye: If all rights were restored, to go to arbitration or to go on strike for all but the narrowest noncompensation issues, that is, wage packet, as opposed to staff size, teacher-faculty ratios and that kind of thing?

Ms. Allen: I do not think the right to arbitration would do much for us because the Ontario government, through history, has not wanted go into arbitration. You have to both agree to go to arbitration.

Mr. Lord: The rules apply to us by the college's collective bargaining.

Mr. Wrye: Are you allowed to go on strike?

Mr. Lord: Yes.

Mr. Wrye: What about the right to strike? Would it strengthen your hand at the bargaining table if you had the right to strike restored?

Mr. Lord: Yes. It is like saying, "Okay, you are being raped; let us kiss and make up." The legislation itself is abominable. There is no amending that can make it a reasonable piece of legislation, none whatsoever. The only suitable place for this act is in the garbage bin.

9:50 p.m.

Ms. Allan: We had the right to strike. We exercised our right to strike and we were just going into meaningful collective bargaining when you took our rights away from us. The question is in the brief. Was our strike so effective that it had to be taken away?

Mr. Wildman: First, in regard to the academic staff, is it your position that on so-called noncompensatory issues, such as the quality of education, class size, staffing formula and so on, you could have meaningful negotiations in that area when the traditional types of tradeoffs between monetary and nonmonetary issues could not exist since the monetary issues have already been decided?

Mr. Lord: No. You have to bargain on the whole package. You cannot bargain on bits. Whenever there has been an improvement in a working condition, it is at the expense of money.

Mr. Wildman: So traditionally there have been those kinds of tradeoffs, and if one is already decided, that could not happen.

Mr. Lord: ~~Exactly.~~

Mr. Wildman: With regard to the support staff, as I understand it, your view is that the catch-up that you deserve could best be achieved by restoring free collective bargaining.

Ms. Allan: Right.

Mr. Wildman: I do not know what is being offered here, but your main problem is the lack of funds and there is no way you can achieve that unless you have the right to bargain.

Ms. Allan: That is right.

Mr. Mackenzie: I just wanted to ask if you knew of anybody in the private sector, particularly workers or organized workers, who are raising hell because of the wages of the public service workers or the supposed security of public service workers?

Mr. Lord: None whatsoever.

Ms. Pflanzner: My brothers are both private sector workers and we seem to be able to get along. They are both auto workers in the city of Windsor and they make more money than I do.

Mr. Mackenzie: I thought the unemployed steelworker in Sault Ste. Marie really stated the case when he went after Mr. Ramsay on it, but I just wondered if you were getting it. I talk to an awful lot of private sector unionists and I am sure not getting it.

Ms. Pflanzner: I am on the labour council in the city of Windsor and there is no animosity between the private and public sector workers there.

Ms. Allan: They are actually very supportive of us.

Mr. Mackenzie: Do your members--and I am talking now right down to the individual members, not just your executive or the steward--understand the unfairness and the dishonesty of this piece of legislation that is before us now?

Ms. Allan: Yes. I am sure glad you asked that question because the other night someone alluded to the elections being three years away. To me that is playing the ostrich. We all know when you stick your hand in the sand, you leave the most vulnerable part sticking out.

Mr. Mackenzie: I was going to ask if you thought notching would help the free collective bargaining, but I think you already answered that in some of the earlier responses.

Mr. Cooke: Mr. Chairman, I will pass. I think most of the questions have been dealt with.

Mr. Bradley: As you may be aware, there are some legislative levers that can be used to prevent a bill from passing. One is the lever of a filibuster--I guess that is the word that we use--of placing endless amendments. In other words, I am talking about procedural matters for just preventing a bill from being read. One of the things the government always wants to do is have its interim supply. Would you support the legislative tactic of withholding interim supply in order that the government be forced to back down this legislation?

Mr. Lord: I would support anything that will prevent this from becoming law.

Mr. Bradley: So you would be in favour of that. Are you aware that when this tactic was used to attempt to extract secret information on Suncor, the president of the Ontario Public Service Employees Union issued a letter condemning the Leader of the Opposition for using this legislative tactic? Are you aware the president of OPSEU did that?

Mr. Lord: No.

Mr. Bradley: Well, he did, sir. Both parties, the New Democratic Party who were seeking the information and the opposition Liberal Party who were seeking the information, used this tactic and the president of your union issued a letter condemning the Leader of the Opposition for using it.

Ms. Allan: I don't think that--

Mr. Mackenzie: You do not see us trying to split workers as a result of some kind of--

Mr. Bradley: I am not trying to split workers. I simply asked a question on what tactics could be used.

Mr. Chairman: Does that finish your questioning, Mr. Bradley?

Fine, thank you very much for your presentations.

The next group is from Woods Gordon, Mr. Wilson. Gentlemen, there is a brief being circulated, it is number 37.

Interjection: Isn't it 38?

Mr. Chairman: I would have said 37. I had the last, CAAT support staff, as 36. Mr. Clerk?

Mr. Mitchell: But we have been given one brief summary.

Mr. Chairman: Yes, that is correct. That is the one that is 37.

Mr. Mitchell: We have had that for some time. What is the other one?

Mr. Chairman: No, that is Woods Gordon. There is another being delivered that simply identifies the people in front of us, Messrs. Wilson, Smith and Musgrave.

I guess we would call that also, since it should be entered, exhibit 38. Which of you is the spokesman?

Mr. Wilson: I am the spokesman. I am John Wilson. I am the chairman of Woods Gordon.

Mr. Chairman: Thank you. Would you identify the gentlemen with you?

Mr. Wilson: Dr. Smith is on my right and Mr. Musgrave is on my left. What I think you just numbered as exhibit 38 gives a description of what these gentlemen do. Dr. Smith is our senior economist and Mr. Musgrave is a senior management operations consultant, a partner of the firm.

I think it is best perhaps, since you are short of time, if I read the summary rather than the actual speech presentation which is at the back. The difference between the two is one is in larger type because I was going to read it, so I will probably have problems reading the smaller type.

Mr. Chairman: Perhaps sir, if I may interject, we will call the blue one exhibit 39, because we have had them in three different groups. So it is 37, 38 and 39. Thank you. Carry on.

Mr. Wilson: Thank you, Mr. Chairman. I will read the brief summary which is the first item in the blue book.

First of all, we endorse in principle the attempt of the proposed program for wage and price restraint. We do this because we believe that such a program will contribute to a moderation of cost and price inflation and that such moderation is essential as a requirement for maintaining Canada's international competitiveness, restoring the basis for sustainable economic recovery and reducing our interest rates.

Obviously the formulation and implementation of specific regulations under such a program will give rise to significant difficulties requiring careful consideration, which is obviously what this committee is doing. At this time we would leave advice on that to others.

However, I want to point out that restraint programs are inherently negative. In particular, because of the rigidities they impose, they tend to have adverse affects on productivity improvement. Productivity improvement is of vital importance for restoring economic good health and more stable prosperity. We cannot save ourselves into prosperity and no more can we restrain ourselves into economic good health. We must add positive programs.

Because of this we strongly urge that a program to assist productivity improvement be integrally coupled with the restraint program, otherwise there is a serious risk that we will have nothing more than a sterile pause in a downward spiral.

10 p.m.

Productivity-improvement sharing schemes are anti-inflationary. Productivity sharing schemes are not fancied-up, suggestion-box programs. They are carefully designed plans based on hard productivity information, easily verified by audit, which make incentive payments on measured improvements

after they have occurred. These improvements are usually shared 50-50 between employees and employer.

Both unions and employers who have direct experience endorse productivity-improvement sharing schemes and I may say that in the body of the presentation you will find the names of people who are quite prepared to endorse the programs and they are both union people and management people.

Organizations that have used such techniques have successfully attained extraordinary productivity increases. In a recent survey of 72 companies, using Improshare, which is the system which Woods Gordon uses, productivity advances averaged 22 per cent after 12 months and some of the advances ran up to 35 per cent.

Productivity sharing agreements between employers and employees are clearly compatible with anti-inflationary programs because increases in productivity more than offset employee income gains and hence tend to be inflation-restraining. Techniques have been developed that incorporate readily understandable and acceptable measurement of group productivity improvement in a wide range of activities. Obviously they cannot apply to all employees, but they can be made to apply in a great many situations that will be covered in the proposed wage and price restraint program.

To illustrate, productivity sharing schemes are already successfully in or could be successfully applied to such activities as garbage collection, hospitals, fleet maintenance for buses and trucks, aircraft maintenance, printing and warehousing. We see no reason why such arrangements should not be used with activities such as those we have covered in the proposed restraint program: nursing home operation, data processing services, building maintenance, municipal and highway maintenance, laundry services, food services, tax return processing and so forth.

In poor economic conditions where additional sales volumes are not available to utilize productivity increases, productivity improvements obtained can be used in job security programs under which gains are used to give time off. We believe that the government of Ontario should endorse the use of productivity sharing plans as being not only fully compatible with the spirit and objective of the proposed restraint program, but also an essential complement to it.

We recommend as strongly as possible that the government add to its proposed restraint program a parallel program of financial assistance to meet the initial costs of designing, developing and implementing productivity sharing plans. Thank you.

Mr. Wrye: Mr. Wilson, would there be new costs to the employer or to the government of such productivity programs?

Mr. Wilson: It costs a fair amount of money to put a system in and it depends, obviously, on the size of the activity. Ken Musgrave could speak to that if you wanted.

Normally in the situations which we have worked in and where

it has been used to date, the employer simply employs a consulting firm. We would recommend ours. This is self-serving clearly. It hires a firm to put the system in and it is then agreed on by the employees and the employer in detail and instituted, but it is carried at the present time by the employer.

What we are suggesting, of course, is that assistance towards putting these plans in would encourage their use and they improve productivity.

Mr. Wrye: Would such a productivity program lead to increased employment in various industries--and you have suggested a whole number--or would it lead to reduced employment?

Mr. Wilson: It depends, of course, on how you can utilize the increased productivity you have gained. If the activity is increasing, if there is an increased need in whatever it happens to be that you're introducing, obviously what you do is take up the new requirement with the productivity increase you have.

If your market is stagnant, to get the use of it you can follow two patterns: you can reduce the staff to take advantage of the productivity increase; or you can give time off and flatten the curve that way. That's what we call a job security plan, using the same system.

Dr. Smith: Perhaps I could add a footnote to that. If you have a wide pattern of productivity improvements that are flowing through an economic system, such as is the case in Japan, it creates a dynamic environment of shift and change in which there is new and more rewarding job creation. Thus you can maintain very substantial employment growth and very low unemployment in a high-productivity economic situation. It has that kind of balance.

Mr. Wrye: Let me ask you on the first points, which speak quite specifically to the bill now before us.

Do you believe that the legislation as it now exists is tough enough on the price side? I remind you specifically of the 8.4 per cent increase that Ontario Hydro proposed today and of increases in OHIP premiums, for example, that the Treasurer proposes to pass through, in spite of the fact that the implementation date is caught within the restraint period.

Do you think that indicates price restraints that are (a) tough enough and (b) that public sector groups are likely to look more favourably upon this legislation because of such increases?

Mr. Wilson: I don't think we have an opinion on the first and I don't think we're here to speak for the public service groups on the second.

Mr. Wrye: Would it be your view that the savings to be generated by this program, which are really going to be quite substantial, if and when it is in place, should be used to reduce the deficit--obviously there will be a pool of money there--or to

create new employment opportunities in both the public and private sector?

Mr. Wilson: I don't think there's an easy answer. I'm not trying to waffle, I'm sorry. In the hospital field, for example, if you made major savings there are a great many programs which hospital administrators, various members of the health care community, want to institute. What you would and could do probably would be to put that money to other uses.

I don't think we hold ourselves out before this committee as experts as to what else to do, what the priorities should be for the use of any savings.

Hon. F. S. Miller: Back in February, I think it was, Ontario proposed some 40 to 50 recommendations to the government of Canada at the Prime Minister's meeting on the economic future. For your interest, one of our recommendations was that productivity be one of the measures used for remuneration awards, rather than automatic indexation or relationship to an inflationary pattern. So you'd find we have a degree of acceptance of that principle.

Certainly we accept the fact that the only way to a better lifestyle is through overall productivity improvements in our industry.

I'd accept completely what Mr. Pilkey said this afternoon as being true, that the problem in productivity shouldn't be pinned on workers or their willingness to work. It's a question of the investment in a plant and whether or not that investment is growing along at a rate that allows those workers to use their time more efficiently.

I think that's one of the things I'd like to disabuse a good many people of, that somehow it's because somebody isn't willing to put their back to their back to the job.

For some reason we had the Liberal members at times referring to OHIP and Hydro, basically because both have percentage increases that exceed the five per cent figure and obviously are sources of potential political embarrassment.

I think it's important to recognize an OHIP premium is part of a cost that is otherwise totally borne by the tax system. If you could say to me that by refusing to raise OHIP premiums the cost of health care was reduced, I'd be the first one to go along with you and say, "Let's keep it at five per cent and make the system eat it."

10:10 p.m.

The fact is there is no system in Ontario that has more popular public support than the health care system. You're faced with paying one sixth to one fifth of it in OHIP premiums. That's all OHIP premiums pays for, one sixth to one fifth, out of a direct visible charge and four fifths to five sixths in a hidden charge, which is taxation.

No matter how we vary those two components, the cost of the health care system to the taxpayers of Ontario, in total, remains the same. I think this is a point I have to point out. If you would help me, all those of you who are sitting--

Mr. Wrye: You know that one is regressive taxation and the other progressive.

Hon. F. S. Miller: That's not so at all.

Mr. Wrye: Of course it is.

Hon. F. S. Miller: The two words "progressive" and "regressive" are recited like words that are supposed to imply goodness and mercy.

Mr. Wrye: It's \$648 whether you're earning \$20,000 or \$120,000.

Hon. F. S. Miller: I didn't interfere with you, Mr. Wrye.

Mr. Wrye: Give the full story.

Hon. F. S. Miller: The fact is that people in this province--and we've put out this year a major paper on it requesting responses; I'd suggest to you, as one of my staff said, "We've had an underwhelming response on OHIP this year." In effect, we've had one response, to the best of my knowledge to the OHIP paper so far, one response to the suggestion that we change away from "a regressive system."

No one ever said it was the best. You can go back in the documentation for ages to see that it happens to be the way it is. If you wish to change it you have to understand it affects a lot of the rest of the system.

Hydro is the other important one. The federal government didn't even touch anything that had anything to do with energy. They had their basic agreements in place with Alberta on energy so they left it out of their six and five system.

We've had hydro at cost in Ontario since about 1909. If one buys coal in the United States or borrows money to buy plant that costs more than five per cent, then where does the money come from?

Hydro, unlike OHIP, does not--

Mr. Wrye: We're overbuilding capacity.

Hon. F. S. Miller: Just a second. I'll never worry about overbuilding capacity because the one thing you'll need when we have an economic revival is an indigenous source of energy.

Mr. Mackenzie: Who will pay for it?

Hon. F. S. Miller: We will have indigenous energy that no one else will have. Just go across to New York state, Mr. Mackenzie, and ask for the rate of hydro in New York state.

Mr. Cooke: It will still be lower.

Hon. F. S. Miller: Compare it to ours and you will see it's about 50 per cent in Ontario of what it is in New York state and you know it.

Mr. Cooke: It does not negate the argument.

Hon. F. S. Miller: It bothers you when I'm right.

Mr. Cooke: That's absolutely silly. You've overbuilt, you've borrowed money that didn't need to be borrowed. You've goofed.

Hon. F. S. Miller: It takes 14 years to build a new plant. You ask me to look ahead day by day. The one place we've looked ahead in this province, and I'm proud of it, is in energy.

Mr. Cooke: You of all people in the Conservative Party should be condemning this and you know it.

Hon. F. S. Miller: Calm down. The other question is the use of savings and the deficit. I've been quiet all day long and I've listened to all these statements coming up time after time. Would you take the \$840 million and put it into work production programs as an alternative to--

Interjection.

Hon. F. S. Miller: That's the figure I gave and no one else has corrected it of late, over the period of three years. It's not the one-year figure. What would you do with it?

When I'm running a deficit of \$2,548 million or whatever the figure happens to be today, then a saving is some borrowing I don't have to make.

I'd like to ask these economists who are sitting in front of me just what the net effect on the money available for investment in productive plant is. It's the net result after government gets there first, isn't it?

If I go into the marketplace with deficits, I'm taking money out of hands that would have otherwise been using it for more productive uses. Therefore the idea that I should spend money I save to create jobs is, I think, counterproductive.

The very area where we need the investments is in our plant. Therefore money has to be available for it; therefore if government doesn't borrow it, it's available for that purpose.

Mr. Cooke: What about Hydro?

Hon. F. S. Miller: I don't know if they want to comment or not.

Mr. Chairman: Would one of you gentlemen like to comment on that?

Dr. Smith: I will make a general comment. One of the things we have in this country both at the federal level in a very powerful way, and at the provincial level too, is a very powerful set of automatic stabilizers. They tend to operate when we move into a deep recession of the kind we are now in to reduce the amount of revenue that otherwise would flow to governments--as taxable incomes don't rise, or as taxable incomes fall, or as loss carry-forwards are exercised, for refunds to support income in the system.

On the expenditure side, we have, by world standards, a fairly generous unemployment insurance system and income support set of programs, which automatically tend to rise in their expenditures as jobs fall off and incomes are lowered and layoffs occur.

What we're really seeing in Canada in this very deep recession, the deepest since 1938, is that these automatic stabilizers at both of our levels of government are operating very strongly and are continuing to produce higher and higher deficits the deeper the recession goes.

There has, I think, been excessive concern in the financial community and in some other quarters at the size of these deficits. I think if one had understood how powerfully these income and expenditure support systems really work with our government, they wouldn't really have been surprised to see a federal deficit rising over \$20 billion or a provincial deficit at over \$2 billion. That's the way these things tend to work.

The unfortunate thing is that at this stage, if I may address part of your comment, Mr. Minister, is that the recession has cut sufficiently deep that we have a great deal of excess capacity in the system at the moment. That's not a very favourable environment in which to see what I would call private investment-led growth. If you've got excess capacity, you don't tend to turn around and invest in new expansion.

We've got to count on the consumers to begin to pull us out of this recession. When we get operating levels closer to capacity then we will see investment cut in. I would hope we're going to have the kind of expansion in which we will begin to see that kind of investment support for stronger growth by, let's say, 1984 and 1985.

I'm sorry, that's a very general comment.

Mr. Wildman: Am I correct in understanding the Treasurer's comment to lead to the suggestion that he believes--I'm not trying to be argumentative here, I'm just looking for information, seriously--that you believe that what you're looking towards is any savings that might accrue from this program would be used to either cut your deficit or limit the necessity to borrow?

Hon. F. S. Miller: That's one of the alternatives open to me. I point out to each of you present that a year ago when I had an operating deficit projected at roughly \$1.1 billion you

were all telling me how profligate I was. I'm at \$2,558 million, I'm out by \$10 million, tonight.

It was purposely done and in my budget statement I said it was being increased by that kind of figure to allow for the basic downturn in the economy and to prime the pump a bit in the true Keynesian tradition of governments moving in when the economy was soft.

The question is, how far does one move in and how far can one go? I always have that option. If you're in control, at least with programs that are discrete and removable rather than in the base, you can put your make-work projects in, which contributed between \$0.5 billion and \$0.75 billion to this year's cash requirement and move them out. If you build them into ongoing programs you don't have that expedient.

The answer then to your question is it's an option one maintains to use as one sees the economy unfold.

Mr. Chairman: Thank you, gentlemen, for your assistance and your presentation.

The next group is from the Ontario Graduate Association. In fairness to the last groups, the sixth and seventh groups, you could wait until 10:30 p.m. We are due to rise at 10:30 p.m. You could go or you could stay, whatever the people wish.

Mr. Mitchell: In any event, they would be on.

Mr. Chairman: I would believe that the wisest place would be to put them on first tomorrow afternoon if the people can come back.

Interjection: What time?

Mr. Chairman: Two o'clock.

Interjection: No, we've all got to work for a living.

10:20 p.m.

Mr. Wrye: Mr. Chairman, you might point out to any potential witnesses that, looking at the clock, we have eight minutes left. When the House adjourns at 10:30 we are required, under the rules, to adjourn. That is the problem.

Mr. HersHKovitz: Mr. Chairman, is it possible to contact the clerk and make arrangements to sit overtime? Could you make that arrangement with the clerk?

Mr. Chairman: The clerk does not have any flexibility left, except the only thought is tomorrow we have four hours, which is the longest session we have; Wednesday afternoons. That is why it was suggested that we put you on first. The last day is not fair, we might not get there.

The only way we can guarantee your being heard would be

first thing tomorrow afternoon. We only have two and a half hours tomorrow morning.

Mr. Mackenzie: I just wanted to make a point. I am not sure if they are still here, and this is what concerns me, but the women with the Ontario Public Service Employees Union, region 5, women's caucus and mobilization committee, asked me what our procedure had been. They may have left, I am not sure. I said that we had put them first in order for the next session, so they are coming back tomorrow morning expecting they are going to be on some time in the morning.

They are not here. The only reason I raise it is because they have gone away with that understanding and I think it is fair.

Mr. Chairman: That would be normal, except we have two and a half hours tomorrow morning. That is fine, except we will push some of those seven on into the afternoon.

Mr. Wrye: Mr. Mackenzie raises a good point. What about the other two groups; would they come back tomorrow morning?

Mr. Herskovitz: We have difficulty with tomorrow.

Mr. Wrye: Which group is that?

Mr. Herskovitz: We have serious difficulty with tomorrow.

Mr. Wrye: Thursday?

Mr. Herskovitz: Thursday may be possible.

Mr. Wrye: What about the graduate students?

Ms. Sundstrom: I can come tomorrow.

Interjections.

Mr. Wrye: We may have a vote on the--

Ms. Sundstrom: I can come back tomorrow and they cannot.

Mr. Mitchell: I think we should continue. I do not know how long the brief is for the graduate students but, none the less, let us run the clock with this group. I think what has been requested is--

Mr. Chairman: The clerk can discuss it with these people while we are finishing up to see what can be arranged and the clerk will bring it back to the committee for the decision.

Ms. Sundstrom, would you carry on, please.

Ms. Sundstrom: I am Robin Sundstrom and the president of the Ontario Graduate Association. We represent about 30,000 graduate students throughout the province. I have been asked to give you a summary in four minutes.

The first topic I cover in my brief deals with social welfare. At the universities, the poor are already under represented. A recent study by Paul Anisef underlines this. Most students at universities have parents with some post-secondary education. This gap is going to be widened, exacerbating socio-economic differentials already extant.

The second topic under social welfare is the question of women's versus men's salaries. You have heard a brief, I think, from Mary Cornish of the Equal Pay Coalition. We know there is a gap there. Women are underemployed and unemployed and therefore at the lower end of the economic scale. They are going to bear a further burden with Bill 179.

Part-time workers again; 75 per cent of these are women. One seventh of all the workers in Ontario are part time, and this bill makes little allowance for the special circumstances of these people, most of whom are working part time because they cannot find full-time jobs.

In the universities, the women faculty have special problems of their own. They are generally paid less than the male faculty. They are also at the low ranges; they are assistant professors or lecturers rather than associates or full professors. Most graduate students subsist on teaching and research assistantships. There is a sample budget at the back of the brief that I have handed out which will help you grasp just the kinds of economic realities we are facing.

Mr. Chairman: Ms. Sundstrom, take it a little easier; we have a few extra seconds. You can slow down a bit.

Ms. Sundstrom: Teaching assistants and research assistants, all full-time graduate students, are limited to work 10 hours per week. The teaching assistantship was originally meant to give graduate students sufficient money to live on throughout the year.

With our wage increases limited to five per cent, a clear choice is going to emerge from most graduate students; we simply are not going to be able to stay in school. Scholarship money is decreasing.

For instance, last year the Ministry of Colleges and Universities reduced the amount of money it was putting towards the Ontario graduate scholarships. Also, because teaching assistants and research assistants are part-time workers, it is unclear in clauses 12(2)(b) and 12(3)(a) and (b) that teaching and research assistants will be eligible for the \$750 minimum that is supposed to come to part-time workers through the bill.

The working conditions in universities are worsening because they are being squeezed. We have already had problems bargaining with the universities; they are not easy to bargain with, they do not come to the table easily. This is only going to be exacerbated by removing our bargaining rights.

Premier Davis has talked about a tradeoff in security for

public sector employees. This is simply not the case for teaching assistants, who are vulnerable to the whims of their departments, the whims of their supervisors.

They are also vulnerable to the economic realities; fewer and fewer people are coming to graduate school each year, unlike the undergraduate population. There is no tradeoff in higher wages, as Premier Davis has said about the public sector. Even if this were so, though OPSEU argues it is not, we are not blessed this way.

We are not, also, covered under Bill 70, the Occupational Health and Safety Act. If anything happens to us while we are working, we must sue the university in order to get compensation. We are particularly vulnerable.

The undergraduates are already feeling a decline in the quality of their education, with equipment that is self-destructing and overcrowded classrooms. This is only going to be exacerbated by this bill.

There is a question of visa students as well. I know this is not a popular issue for most of you, but if you consider that fully 80 per cent of the graduate teaching faculty in the history department in the University of Toronto has received a degree from a foreign university, you begin to understand that we reap the benefits of easy borders between this country and others in terms of education, as much as other countries do here.

As far as research and development on the university campus is concerned, we are in deep trouble. This kind of thing is going to suck people away from this, and people are the only resource we have left. We have already watched the decline of most of the other stuff we have on campuses.

I fail to see the basis for the idea that a cut in real wages is going to stimulate economic growth. Aside from this problem, the draconian nature of the bill itself is a real threat to the rights of the citizens.

My final point, before summing up, is that if the Ontario government itself seemed prepared to put itself under these cuts as well--for instance, the Ministry of Energy had a 194 per cent increase in expenditures; Management Board, which is cabinet's watchdog on ministry spending, is up 32 per cent. It seems rather ironic that you are asking the public sector to bear the brunt.

Although measures are required to deal with inflation and unemployment in Ontario, provisions described in Bill 179 would penalize many of this province's most vulnerable workers, without offering any real assurance of holding inflation at a reasonable level, if such a thing exists. It needs careful reconsideration by this committee, especially in the cases of women, part-time workers and university workers.

In addition, I am arguing for a complete exemption of teaching and research assistants from this bill. Short of this, they should be permitted to retain their right to strike. Any

group which has no health coverage, no eligibility for workmen's compensation if injured while working, no power to fight cuts in their numbers by universities feeling the effects of fiscal restraint, any group with these characteristics needs and deserves the special protection that this committee can offer by saying that it is exempted under Bill 179.

Mr. Mitchell: I have just one very quick question. I am not sure I really caught what you said with regard to Management Board and government spending. Could you elaborate on that a little bit?

Ms. Sundstrom: There was a Globe and Mail article--which I have with me, if you would like to see it afterwards--in September that listed the 1982-83 budgets for various ministries and offices in the government. The Ministry of Energy was up in expenditures 194 per cent; Management Board, 32 per cent. I have a few others as well.

Mr. Mitchell: Are you then suggesting a cutback in government programs, zero-based budgeting or program review within the various government ministries?

Ms. Sundstrom: I am really not competent to suggest things of such profundity. What I am competent to do is to compare the fact that we are being asked to hold our increases to five per cent while the government does not do the same.

Mr. Mitchell: May I follow the kind of scenario I am attempting? If you are asking us to cut back on government spending within the various ministries, surely the effect of that could be even harder on people in the public sector.

A great many people refer to Professor Crispo who, in his report, acknowledges that wage controls are not good. He says tough fiscal policies are needed.

If one were to interpret that or to ask him what he means by it--and I am obviously putting an interpretation on it--he might say what you have said, that government programs should be justified. If that were the situation, as I see it, it could conceivably result in more unemployment because the jobs of those people who were working on the government programs would no longer exist.

Ms. Sundstrom: Obviously, these things must be carefully considered. However, I do not think the way to ameliorate the present situation is by penalizing those people at the lower income levels--

Mr. Mitchell: All I am suggesting to you is that it might be worse the other way.

Ms. Sundstrom: For instance, one of the ministries which did hold its increases to lower than five per cent is the Ombudsman's Office. It is one of the few offices in this government to which people have direct access and which actually helps individuals. I find this ironic as well.

Mr. Mitchell: It is rather interesting that you comment on the Ombudsman, because it draws a lot of flak from several quarters.

Mr. Cooke: It is a sort of Hobson's choice.

How many jobs have been lost at the University of Toronto in the graduate association over the last number of years?

Ms. Sundstrom: The university is very chary about giving out such statistics, so I cannot give you an exact number. I could certainly research it and find out for you.

Mr. Cooke: But you have lost a lot of teaching assistants' positions?

Ms. Sundstrom: Yes, we have. There are some departments that have been cancelled entirely. There are some institutes that have been closed, so we wind up losing people there inevitably.

Actually technically we have not lost that many teaching assistants. What we have lost is teaching assistantships. Instead of getting the full 10 hours per week, many people are finding themselves with three and six hours. So the university can give us figures saying, "You see, there are just as many as there were before," but in fact people are getting far less money.

Mr. Wildman: In other words, work sharing?

Ms. Sundstrom: Yes.

Mr. Cooke: I asked that question only because one of the rationales for this bill is that there is great security within the public sector. We did have the teaching assistants before us--

Ms. Sundstrom: The Canadian Union of Educational Workers.

Mr. Cooke: Yes. They did give us some statistics on the jobs lost.

Mr. Mackenzie: Rather than a rationalization, I would call it one of the lies this bill is based on.

Ms. Sundstrom: Yes. There is a rumour that teaching assistants will be cut drastically next year, partly because of the increase in faculty salaries but also because the universities simply do not have the resources any more. They are given a real decrease in money next year.

Mr. Cooke: I guess that one of the really ridiculous aspects of this government's economic strategy also is that, at a time when we are supposedly moving in the area of high tech and the need for more research and development and all the other areas that this government claims to support, we have now been under restraint in the college and university sector for about 12 years.

Ms. Sundstrom: The engineering faculty nearly did not get--

Mr. Cooke: The engineering faculties all across the province are good examples, like my own at the University of Windsor.

Ms. Sundstrom: Yes; also dentistry at the University of Toronto.

Mr. Chairman: Thank you very much for your presentation. I am sorry we had to rush you at the end.

Mr. Mackenzie advises that the two groups from the Ontario Public Service Employees Union are coming back first thing tomorrow morning. They will be on first. The United Food and Commercial Workers' International Union, region 18, will be on first on Thursday afternoon, following routine proceedings.

Gentlemen, I would ask you to try to get here on time. We have nine groups tomorrow morning, and another full seven in the afternoon. So please could we start on time. We also have a procedure for which we shall have a motion put, plus the eight or nine groups. It will be a full morning.

The committee adjourned at 10:35 p.m.

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STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE
BILL 179, INFLATION RESTRAINT ACT
WEDNESDAY, OCTOBER 27, 1982



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Eves, E. L. (Parry Sound PC)
Mitchell, R. C. (Carleton PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)
Watson, A. N. (Chatham-Kent PC)
Wrye, W. M. (Windsor-Sandwich L)

Substitutions:

Cooke, D. S. (Windsor-Riverside NDP) for Mr. Swart
Kolyn, A. (Lakeshore PC) for Mr. Brandt
Sweeney, J. (Kitchener-Wilmot L) for Mr. Breithaupt
Mackenzie, R. W. (Hamilton East NDP) for Mr. Breaugh

Also taking part:

Bradley, J. J. (St. Catherines L)
Jones, T. (Mississauga North), Parliamentary Assistant to the
Treasurer of Ontario and Minister of Economics
McClellan, R. A. (Bellwoods NDP)
Wildman, B. (Algoma NDP)

Clerk: Arnott, D.

From the Ministry of Treasury and Economics:

Campbell, T., Deputy Treasurer and Deputy Minister
Davies, B. P., Assistant Deputy Minister, Office of Economic Policy
Sadlier-Brown, P., Member, Management Committee, Economic Policy
Branch

Witnesses:

From the Ontario Public Service Employees Union (Region 5):

DePoe, P., Vice-President, Women's Caucus

Doughty, H. A., Vice-Chairperson, Research Committee

Vallance, S., Chairperson, Research Committee and Vice-President

From the Ontario English Catholic Teachers' Association:

Fredette, R., President, Metropolitan Toronto Unit

From the Ontario Nurses' Association:

Anderson, D., Co-ordinator, Employment Relations

Gribben, A., Chief Executive Officer

Latchman, B., Research Co-ordinator

Phillips, E., President

Berry, A., Vice-President, Local 41

Hermann, A., President, Local 41

Rémila, J., Vice-President, Local 39

Russell, J., Member, Local 39

Walker, S., Member, Local 39

Wood, F., President, Local 39

From The United Automobile Workers:

Gill, J., Director, Citizenship and Legislation Department

Gindin, S., Research Director

Hargrove, B., Administrative Assistant to Director for Canada

Nickerson, R., Administrative Assistant to Director for Canada

White, R., Director for Canada and International Vice-President

LEGISLATURE OF ONTARIO
STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Wednesday, October 27, 1982

The committee met at 10:05 a.m. in Room 151.

INFLATION RESTRAINT ACT
(continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Chairman: Gentlemen, seeing a quorum in the room, might I first mention that the Treasurer is in cabinet and his parliamentary assistant, Mr. Jones, will be filling in for him this morning, but he has been caught in traffic and is on his way. He will be with us a little later.

Mr. Mackenzie, you gave notice yesterday of a motion you wished to put this morning.

Mr. Mackenzie: Yes, Mr. Chairman. I move that this committee request that the House leaders arrange at least an additional week of public hearings so the many groups that have submitted briefs in good faith within the time frame will have the opportunity to be heard.

Mr. Wrye: Mr. Chairman, I would like to move an amendment to the motion. I move that this committee request that the House leaders extend the sittings for a maximum of two days or until the completion of the delegations, whichever shall occur first.

I do not have a copy of that.

Mr. Chairman: Could you perhaps write it out for us?

Mr. Cooke: Mr. Chairman, I am not quite sure I understand the purpose of the amendment since, as I understand the motion, it is designed to include the groups on the waiting list that have already applied and are qualified as per the act. I am not sure why the amendment is for "two days" or an open-ended approach. It does not seem to make sense.

Mr. Renwick: He said two days or less.

Mr. Cooke: Well, that is absolutely ridiculous.

Mr. Chairman: Gentlemen, are there comments with regard to these?

Mr. Mitchell: Mr. Chairman, perhaps you could enlighten us as to what procedures were established, once again. I believe 33 hours were assigned to the committee to receive briefs through

discussions at the House leaders' meeting.

Mr. Chairman: It was not that exactly. It was that we would sit for a certain number of afternoons, evenings, mornings, as specified, 12 different sittings, ending on November 1, which would encompass approximately 33 hours. The total number of hours was secondary to the sittings. That was the frame of reference the House gave to this committee.

Mr. Mitchell: That was agreed to by all House leaders?

Mr. Chairman: Yes, and it was agreed in the House. Those are motions of the House.

Mr. Watson: Mr. Chairman, I think we all realize that a bargain or arrangement was made after a month of deliberations in the House. We tried the first day of the committee to set up some kind of system that would accommodate all the people who made representations within the time. We could get no agreement about that. I see no reason to change our course at this time. If people on the committee want certain groups, they will adjust their questioning and advise the committee of the people making presentations at the times they would have.

Mr. Chairman: You are speaking to the amendment of Mr. Wrye as well?

Mr. Watson: I am speaking to the fact that we were given a certain time for public hearings. We have already had a month of debate in the House. If people in the House feel they cannot can represent their people, then I think it is unfortunate the people have to come themselves. But we are elected to represent the feelings of our people and to speak for them. An agreement was made and I think we should stick to it.

10:10 a.m.

Mr. Chairman: For clarification, Mr. Wrye, I take it that your motion means to delete from Mr. Mackenzie's motion the words "an additional week" and substitute your wording, "for two days or the completion, etc." Perhaps you might put that in, because it is the time frame you are trying to amend here.

Mr. Renwick: Mr. Chairman, could the clerk advise us as of this morning how many more delegations there are to be heard?

Mr. Chairman: I can do that. Approximately 75. We have heard something in the low 40s--41 or 42, in there. I hope today, with good going, we will end up tonight with approximately in the low 60s heard and the low 60s remaining to be heard.

Mr. Renwick: Mr. Chairman, I quite understand what Mr. Watson said. Of course there was an agreement made. This is simply a request that the matter be referred back to the House leaders for reconsideration, in which case, if they were to reach agreement on an extension of the period of time, then the appropriate motion could be introduced in the House to authorize the additional sittings.

The factor nobody was aware of when the hearings were proposed, and I say this particularly to Mr. Watson and his colleagues, was the large number of delegations that requested an opportunity to appear before the committee.

I find it passing strange that this committee would not consider it a very reasonable proposal, with approximately 70 or 75 additional delegations to be heard, when the committee is authorized to sit only this morning, this afternoon, tomorrow afternoon and tomorrow evening.

It is a reasonable request to the House leaders to provide the flexibility to enable all the members of the public--and I emphasize members of the public--to address this committee on a matter of concern to them. It is a most reasonable and appropriate and proper request.

I do not understand why Mr. Wrye would want to arbitrarily chop it off at a particular point in time. It would only raise again the problem that those delegations that wanted to make their presentation publicly would be cut off. I think this assembly and this committee has a responsibility to listen to all the delegations that have asked to be heard and members of the public.

There is no question whatsoever that the House leaders were acting in the dark, as we all were, and that it did appear two weeks was an appropriate period of time, or that the 12 sittings that were allocated would turn out to be an appropriate period of time.

I think it would be quite arrogant on the part of this committee not to request the House leaders to reconsider the sittings in the light of the additional information they did not know, and nobody else knew, when they made the original decision and had the original negotiations.

The request by my colleague is not only a reasonable one, it is the only fair one. I think this committee would be ill advised to be so arrogant in its proceedings as to deny members of the public an opportunity, within reason, to present their views to the committee and to have the opportunity to have members of the committee elucidate by way of questions any information it felt was necessary.

Therefore, I would seriously ask the members of the Conservative Party and the members of the Liberal Party to support the motion of my colleague Mr. Mackenzie, so that members of the public can be properly heard in their forum, not our forum, to express their views about this bill.

Mr. Stevenson: Mr. Chairman, I would like to mention briefly that we have discussed this at some length in previous times. The problem of timetabling the committee's business has already been sent back to the House leaders once on an informal basis. There was a meeting of a steering committee made up of members of this committee to try to solve the problem and they could reach no particular agreement.

For a number of days we proposed that we split into subcommittees so we could hear more people in the time that had been allocated. I am sure we could have had Mr. Elgie or some other minister here in another subcommittee to listen to briefs of other groups that were interested in coming to present their views to the committee.

We have put forth and talked about a number of different methods of dealing with the problem which have not been accepted. This is just one of the many alternatives that could have been used. As far as I see it, it is not an alternative we are willing to accept, while there were one or two others that we certainly would have accepted.

Mr. Piché: Mr. Chairman, with due respect to all the other members of this committee who want to speak, I would like to suggest that we put the question, because we have already lost 15 minutes. We could have heard one more brief in that time. I think this can be discussed at some other time, but I feel it is important that we get on with the job. We are here to listen to some briefs. We could have been on our second brief right now, and we do not have that much time left. I am suggesting that the question be put. I am sure everybody would agree with that.

Mr. Chairman: I have two more people, Messrs. Cooke and Wrye, who have asked to be heard. If you were to make a motion, I would not concur with it and I do have that power; so I am going to let them talk, Mr. Piché.

Mr. Piché: Could you ask them to be very brief, because we are running out of time?

Mr. Cooke: Mr. Chairman, I will take only a couple of moments. I would like to respond to Mr. Stevenson. He should be aware, since he has been to some of these hearings, that we have not exactly had a large number of cabinet ministers here. Mr. Miller, the Treasurer, has appeared, but the other ministers who have been directly involved with this legislation, namely, Mr. Ramsay, Mr. McCague or Mr. Elgie, have not appeared before this committee.

When talking about subcommittees, you forget the principle of subcommittees has been rejected by the government House leader as well as the Liberal House leader and my House leader. We will not operate on the basis of subcommittees, because it does not provide for two members of the New Democratic Party to be on these subcommittees. There was an agreement amongst all three party House leaders many months ago that no committee would operate without at least two members of each of the parties. I think that is a fair approach.

I would also like to point out to Mr. Watson that he comes from an area of this province that has been in a very serious economic decline for as long as my home area has. This bill was labelled by his government as a response to an economic crisis that exists in this province. Surely, if there is an economic crisis in this province, the one piece of legislation that is

supposed to respond to that crisis deserves to have at least one more week of hearings when we now know that as of yesterday, 92 groups still had to be heard by this committee.

I do not think it is an unreasonable request. No one in this party is suggesting that an agreement be destroyed. We are simply suggesting that common sense prevail and that we put a request to the House leaders of the three parties and ask them to look at the number of delegations and whether they could agree to extend hearings for one additional week.

We are not going to get out of here any quicker in any case, because after we have the public hearings there is clause-by-clause in this committee. You can have it one way or the other but, rather than spending a lot of time on clause-by-clause, I would much prefer that we heard from the public.

10:20 a.m.

Mr. Watson: Do you want to make an amendment that this committee is to report back to the House on a certain date, and we are going to skip the time? Come on.

Mr. Wrye: Mr. Chairman, I find it strange that the previous speaker comes from a party which had among its members, one who spoke for seven hours on second reading and forced us into a situation where the Tories are now proposing to limit the public hearings to two weeks. We might have had additional time if the New Democrats had been a little more reasonable in putting their arguments in terms of the length of time.

I would plead with the members of the government party, particularly those who were here the other day, recognizing that we can probably complete our work within the two days I have proposed in the amendment, to recognize that there are a lot of members of the public who have a legitimate concern about this legislation and wish to be heard. To stick to the very narrow interpretation which the House leaders arrived at does fly in the face of the fact that we have had 110 requests.

I think the members of the government party would agree with that. Since they are the members of the government party, they should view those requests as being legitimate expressions of concern and/or support. It seems inappropriate for the government to put a muzzle on the public's right to come before this committee and make their points, however briefly.

Considering that this amendment only asks for a maximum of two additional days, I would ask the members of the government party to give the public their right to be heard.

The one thing we did agree to was, within whatever constraints are set, to try to accommodate as much of the public as possible. But I warn you, we simply will not be able to do it before six o'clock next Monday. We probably would be able to do it before six o'clock on Wednesday, and I think the request in that case is very reasonable and not, as my NDP friends have suggested, an attempt to have an open-ended hearing.

Mr. Watson: I am going to make a suggestion since there seems to be some spirit of compromise here. In terms of timetabling, there is a date at which the House leaders, particularly our House leader, would like this legislation back in the House. I would be prepared to make a motion to table this motion at present if there were some agreement the House leaders could come to as to when the legislation is to come back to the House. We as a committee can then divide up the extra time that is given to us between public presentations and clause-by-clause.

If there were some agreement, I would be prepared to table this with the view that it would come back and there would be some negotiation in the meantime.

Mr. Renwick: I appreciate Mr. Watson's suggestion. I certainly would support a motion to table the motion to give the House leaders an opportunity to consider what has been said today and to make some decision.

Mr. Watson: For the record, I move that it be tabled and referred to our subcommittee, which is reporting back.

Mr. Chairman: We have a motion, as amended, on the floor.

Mr. Watson: I think a motion to table takes precedence, Mr. Chairman. I just want to move it along, and I am suggesting that rather than--

Mr. Chairman: We have to deal with the motion that is--

Mr. Watson: I move to table and refer it to the committee to come back.

Mr. Wrye: To table?

Mr. Chairman: Move to table what?

Mr. Wrye: Move to table the motion and the amendment pending--

Mr. Chairman: No.

Mr. Piché: Mr. Chairman, can I suggest to both parties that they withdraw the amendment and the motion, just temporarily if you want, so we can get on with it, because I do not think we can table in a committee.

Mr. Chairman: Would Mr. Cooke add to his motion wording such as that a deadline for completion of clause-by-clause or reporting back to the House also be considered at the same time as the House leaders consider this additional week?

Mr. Mitchell: Mr. Chairman, with respect, I do not like to challenge the chair, but I believe a motion to table is in order and I think the motion to table takes precedence. I think some good issues have been raised here, and I believe you should entertain the motion to table.

Mr. Chairman: I guess tabling is a word. The committee can by motion agree to postpone consideration of these.

Mr. Mitchell: All right. So take that, then, as the wording if the others agree, and we will work on it--

Mr. Chairman: You are moving a motion, then, Mr. Mitchell, that further discussion and decision on the motion of Mr. Mackenzie as amended by Mr. Wrye be postponed--

Mr. Watson: Pending a report from the subcommittee.

Mr. Wrye: No.

Mr. Chairman: No. Be postponed until what?

Mr. Cooke: Why can you not make a motion to refer the whole matter to the House leaders--that is who has to make this decision--including your suggestion?

Mr. Watson: I cannot make another motion when you have got it on the floor. I thought I could make a motion to table and we would get the thing--

Mr. Wrye: Perhaps what you are trying to get at, Mr. Watson, is that there be a motion to postpone consideration pending further discussions by the House leaders and a recommendation on their part on which date they wish to have the committee's deliberations completed.

Mr. Piché: I think that is what we are getting at.

Mr. Watson: Including the clause-by-clause.

Mr. Chairman: Including the clause-by-clause. That's right.

Fine. I can accept that as an amendment dealing with the original motion. Shall we, then, having understood that it is a motion to postpone until the time stated? All those in favour of--

Mr. Mackenzie: Mr. Chairman, what time are you stating? This, then, is going to go to the House leaders for discussion?

Mr. Chairman: No. This motion is dealing with just what he said: to postpone your motion, as amended, until it is put to the House leaders for an outside end to the deliberations on Bill 179 by this committee.

Mr. Mackenzie: No, I don't accept it then. I think you had better have a vote on the motion.

Mr. Chairman: Yes, I was going to. All those in favour of Mr. Watson's amendment on this motion?

Mr. Renwick: Mr. Chairman, we are so close. Would you ask Mr. Watson to express, since it is his motion, what his

understanding of the meaning of the motion is to us?

Mr. Chairman: I think I have to consider it an amendment on another amendment. Okay?

Mr. Watson: I am prepared to offer an explanation so we all know what we are talking about. I think the government would like this bill back to the House by a certain day; let's say a week from--from when?

Interjection: Tomorrow morning.

Mr. Watson: We have the clause-by-clause. If we are going to have five days there, if you want to divide that up, if you want five days of clause-by-clause, if you want to have four and one, three and two, 2.5 and 2.5, I think there is room for negotiations. That is the intent of my motion; how it gets worded and put through, I do not care.

Mr. Renwick: So it will be referred to the House leaders. That is what we are saying.

Mr. Watson: I think so.

Mr. Piché: I look at it in reverse.

Mr. Cooke: I guess if the majority of the committee wants to refer that kind of motion to the House leaders, fine. The only problem I have is that I do not support any motion that supports closure on clause-by-clause, and that is what you are suggesting.

Mr. Chairman: That is not closure. Technically--

Mr. Cooke: Sure. It ends debate on clause-by-clause, and closure is ending the debate on either first, second or third reading.

Mr. Chairman: It is a motion to put an additional set of situations or circumstances or requests to the House leaders--no more, no less.

Mr. Cooke: And ending clause-by-clause debate by a certain date.

Mr. Chairman: It is up to the House leaders. The House leaders cannot bring closure either technically or in reality.

Mr. Mitchell: Put the question, please. We are holding groups waiting here who have briefs to put.

10:30 a.m.

Mr. Chairman: Right. There being no further discussion, all those in favour of Mr. Watson's amendment please raise their hands. Eight.

All those opposed please raise their hands. Two.

Motion agreed to.

Mr. Chairman: Just to clear the air, rather than have somebody say what that first amendment implies, may we then have--Mr. Wrye, are you letting your amendment stand?

Mr. Wrye: No, I should withdraw. I will withdraw.

Mr. Chairman: It is withdrawn. Then shall we have a vote on Mr. Mackenzie's original motion?

Mr. Piché: Mr. Mackenzie is also going to withdraw.

Mr. Chairman: All those in favour of Mr. Mackenzie's motion please raise their hands. Two.

All those opposed please raise their hands. Eight.

Motion negated.

Mr. Chairman: Therefore, we are left with Mr. Watson's amendment, and the clerk through me will get it to the House leaders immediately.

Mr. Cooke: I hate to be technical, but I am confused; if an amendment carries but the amended motion is put because the amendment has carried, how do you have a motion that has been carried?

Mr. Chairman: I put your motion to ensure that somebody was not under any misapprehension as to what the committee had agreed.

Mr. Cooke: You put Mr. Watson's amendment. Then Mr. Wrye withdrew his amendment. But the final motion that was put had to be the motion as amended.

Mr. Piché: Mr. Chairman, the matter was defeated. There should be no further discussion. It has been dealt with.

Mr. Cooke: We have nothing that has been approved, because it was defeated eight to two.

Mr. Piché: We should have the first presentation, please.

Mr. Mackenzie: No, you do not have the first presentation yet. You are not going to put a muzzle on the committee that way. I have a further motion.

Mr. Piché: Mr. Chairman, the matter has been dealt with.

Mr. Mackenzie: I said I have a further motion, Mr. Piché, or don't you believe in the parliamentary process?

Mr. Piché: Go ahead, Mr. Mackenzie.

Mr. Mackenzie: I move that this justice committee

request that the following persons appear before the committee prior to clause-by-clause consideration of the bill because of their essential role in the committee's understanding of the wage restraint legislation and its impact on workers and collective bargaining in Ontario, namely, the Honourable Russell Ramsay, Minister of Labour; the Honourable George McCague, Chairman of Management Board; Jack Biddell, chairman of the Inflation Restraint Board; and Sally Barnes, chairperson of the Ontario Status of Women Council.

Mr. Chairman: Do the members have copies of this?

Mr. Cooke: I gave the clerk copies, I believe--just three or four.

Mr. Chairman: There are three or four. I have a copy.

Is this wording really any different, except for the possible addition of Mr. Biddell, from the list of persons who were the subject matter of previous motions?

Mr. Mackenzie: It says "prior to clause-by-clause consideration." It is a little clearer in the timing. You do not have to do it immediately.

Mr. Cooke: It is not during the public hearing, but it is before clause-by-clause.

Mr. Chairman: Mr. Mackenzie, I must rule this out of order on the same reasoning as the previous ones at this point. And I will reiterate: I am not dealing with the content of it or its merits; I am dealing with its timing. This is not the right time. I will entertain it at the end of the public hearings.

Mr. Mackenzie: Mr. Chairman, I challenge your ruling.

Mr. Chairman: Thank you. All those who wish to uphold the chair's ruling please raise your hands. Five.

All those opposed please raise your hands. Five.

The chair therefore has to vote to break this tie, and the chair votes to uphold the chair's ruling, not only for the obvious reasons but also because of the status quo. There are certain precedents as to how the chair rules. This may be brought again. Therefore, by voting against it I will leave it open to being brought again. If I vote for it, it cannot be brought again. For those precedents and reasons, Mr. Mackenzie, which I have given--

Mr. Mackenzie: They won't hold water, and you know it.

Mr. Chairman: You and I differ on many things, Mr. Mackenzie.

Mr. Mackenzie: Almost everybody in the House differs with someone.

Mr. Chairman: The first group this morning is from the

Ontario Public Service Employees Union Region 5 women's caucus, Phyllis DePoe, vice-president. Part of the first delegation is also the OPSEU Region 5 mobilization committee, Susie Vallance, vice-president. Is it possible for these two groups to appear at the same time and make a joint presentation?

Ms. DePoe: We each have a separate presentation that we have been waiting a long time to present.

Mr. Chairman: Fine, then you can follow one another. Is it the committee's wish that they be questioned at the same time and that their presentations take place one after the other? Yes, it appears to be.

A recommendation that was also outlined to the committee from the subcommittee yesterday was that the presenters not read their briefs but summarize them to the committee for expediency and in fairness to the people behind them.

Ms. Depoe: I am sorry, but it is very difficult to summarize my brief. I have spent a great number of hours preparing it and waiting to present it.

Mr. Mitchell: Mr. Chairman, it is only five pages.

Mr. Chairman: Thank you, carry on. This will be exhibit 41. Continue, please.

Ms. DePoe: My name is Phyllis DePoe. We of the Ontario Public Service Employees Union Region 5 women's caucus, wish to voice our anger and to protest today the blow that Bill 179 has struck to all public sector workers but especially to the women. What does Bill 179 mean to the women of Ontario's public sector? It is a direct attack on women workers and the gains we have made, especially in the last two years.

Public sector wages have been behind those in the private sector but we were making great efforts to catch up. The effect of the rollbacks in the clerical and office services category, predominantly women, means an average loss of \$1,000 per year to each of the 17,000 workers.

Half of OPSEU's membership are women in ghettoized jobs at the bottom of the wage scale. Bill 179, with its six per cent wage decrease, will ensure that the wage gap will widen once more. The reinstitution of percentage increases as opposed to flat dollar increases means that women will lose what little gains we have made. Some 2.6 million Canadian women work out of necessity. Of these, 46 per cent are self-supporting and have never married, 15 per cent have husbands whose 1978 incomes were less than \$10,000 and 24 per cent have husbands whose 1978 incomes were between \$10,000 and \$15,000.

The working women of this province already suffer from an unfair wage system and have been restrained by different types of wage controls for years. Government-imposed wage controls have pre-empted the fight for a law guaranteeing women equal pay for work of equal value with men. In 1979, the average full-time

working woman in Ontario earned only 63.5 per cent of the average full-time working man's salary, or \$11,952 to his \$18,813. This gap has narrowed only three per cent in the last decade.

Michele Landsberg points out in an article in the Toronto Star on September 7, 1982, that the Ontario Minister of Labour Mr. Ramsay thinks it is unjust that Queen's Park telephone operators, women who need high school education, communication skills and experience, should be earning \$40 less per week than Queen's Park parking lot attendants who are men with grade 8 qualifications. That is a difference of \$2,000 a year.

"It isn't fair," says Ramsay, "but this is no time for fairness. Businesses are closing." You are damned right it isn't fair. It isn't fair that your government imposes rollbacks, wage controls and cessation of all collective bargaining. It isn't fair that public sector workers are being forced to pay for these hard times.

What about when times were not so tough? Did your government rush to pay equal wages to women, or better wages to all public sector workers? Women have been subsidizing this government for many years with these discriminatory low wages. The wage controls mean that the government is deliberately continuing its discrimination.

Wage controls did not work in 1975 and they will not work in 1983. The Anti-Inflation Board wage and so-called price controls were set up in order to fight inflation and unemployment, but inflation remained high. Real wages declined 7.7 per cent while corporate profits increased by 9.2 per cent. In October 1975, 643,000 Canadians were out of work and in April 1978, when controls were lifted, unemployment had risen to 999,000, a great many of whom were women. Wage controls failed as a cure to an ailing economy in 1975 to 1978, and will have no better effect this time.

The obvious solution would be to create jobs. The Davis government does not deal with the obvious or with any sense of justice or fairness. With over 600,000 unemployed in Ontario, the pressure to keep wages down will mean less job security and lower wages for all workers, especially women, who are largely unorganized.

Bill 179 makes no provision at all for the settlement of first contracts in newly organized work places. Many women in the lowest-paid jobs who are just beginning to be organized into trade unions will be stopped because of Bill 179. Especially vulnerable are those 13,000 public sector workers in the unclassified category who can be tossed into the street on a week's notice.

10:40 a.m.

We have been told we should not protest wage controls because we have such marvellous job security. Those who are losing their jobs are 120 workers from the Ontario chest clinics and 60 from the program advisory council. In addition, 1,163 jobs are being eliminated with the closing of six mental retardation

centres. Positions are being phased out in data development and layoffs are being planned in the Ministry of Transportation and Communications in plate registration. Other jobs are being contracted out to the private sector, such as cleaning jobs as well as highway, ambulance and snow removal services.

Office services and clerical jobs have been greatly reduced with the introduction of new technology like the video display terminals and more computerization. If you are fortunate enough to reach retirement age, you hope to reap well-deserved and hard-earned benefits, but these wage controls will reduce your pension payments. Pensions are based on the earnings of the last five years of service. The last set of wage controls and the current set of rollbacks and controls will result in reduced pensions, especially for women in the lowest-paid jobs.

Women, in general, also have fewer years of service in the provincial government. For those retirees already on pension, there is only six per cent indexing instead of eight per cent, while inflation continues to rage at 10.4 per cent. This is the reward for long years of service at low pay.

There are many unforeseen effects of these rollbacks and wage controls. Depressed wages for female data entry operators and cleaners in my local have forced them to take on a second job. How will this help unemployment? Another woman at clerk 2 level with two children may have to resign from her job. After paying the babysitter, clothing her children, paying transportation costs, clothing for work, etc., she finds it a losing financial proposition to continue to work in such a low-paying job. If she resigns, she will not be replaced.

Women with children, who work in the mental retardation centres which are closing, may be forced to quit their jobs if they are unable to find alternative care. Day care centres faced with cutbacks may be forced to close or reduce spaces, thereby preventing many women from returning to the work force. Suspension of collective bargaining means we cannot negotiate for work-site day care, parental leave right, technological change, time off for union business or the extension of maternity and adoption leave.

To the Davis government, we demand that job creation be the priority and that wage controls be stricken from the agenda. Women have always been the first victims of your rotten economic policies and we should not be forced to pay for your discriminatory mismanagement of the economy. We stand in solidarity with all our brothers and sisters in fighting Bill 179.

Mr. Chairman: Thank you. Questions?

Mr. Cooke: I will just ask the standard question, I guess. I think it is fairly clear from your brief but I gather you see that there is absolutely no way this bill could be amended to be fair and just?

Ms. DePoe: Absolutely not.

Mr. Cooke: The bill should just simply be scrapped and

thrown away?

Ms. DePoe: Yes.

Mr. Chairman: Thank you. Next is OPSEU Region 5 mobilization committee, Susie Vallance. Please identify both people.

Ms. Vallance: I am Susie Vallance, vice-president, Region 5, Metro Toronto, and this is Howard Doughty, member of the mobilization committee. I am the chairperson.

Mr. Chairman: Fine, thank you. Carry on.

Ms. Vallance: Since it became clear in early summer that the government of Ontario would, despite Premier Davis' solemn assurances to the contrary, impose discriminatory wage controls on the public sector, we the provincial government workers have begun to mobilize our resources so that we could at least inform you, the legislators, of our unconditional opposition to Bill 179.

In view of the apparent uniformity of the Conservative majority's opinion, and in the light of the apparent willingness of the Liberal caucus to support the measure, we are under no illusion that our efforts at lobbying, or our appearances here, will stop Bill 179 from becoming law. Only a message from a burning bush or a return of Ezekiel's chariot wheel could loosen Tory minds from the mistakes of Bill 179. However, we want you to be under no illusions, either. When this bill is passed, you will have alienated the public sector workers in Ontario.

We in OPSEU will, therefore, make you a promise, but unlike Mr. Davis, we will keep our word. We will do everything in our power to defeat every member of the Legislature who casts a vote for Bill 179 as it is now or as it might be amended.

I work as a Clerk 3 General at Seneca College. I have worked at the college for 11 years and my current salary is \$15,597.40 per year before deductions. Your bill tells me I make too much money. You say that because I do not think it is fair to have to accept a five per cent wage increase when, at the same time, my rent is going up 24 per cent this year, my government controlled parking fees are going up 100 per cent this year, and the cost of food, clothing and fuel are going up as well.

I am therefore being greedy and I must be punished. You say that with straight faces normally concealing the cynical smirks that are shared with the bankers and the business executives whose profits you protect at my expense.

I would tell you what I think of your bill in the terms that it deserves for it is an affront to common sense as well as a policy which will have direct and harmful material effects upon public sector workers, and indirect but equally harmful consequences for our society as a whole. However, my continuing respect for the rules of procedure, rules that this government seems willing to violate whenever it is convenient, and my desire not to allow you simply to dismiss me as a shrill, prevents me

from using the language that this bill all but compels in response. Accordingly, I will say something else.

I am vice-president for Ontario Public Service Employees Union, Metropolitan Toronto Region 5. Our region includes academic and support staff workers at all four Metro community colleges, the correctional officers at the Metro Toronto East and Metro Toronto West Detention Centres and the Don Jail, the Ontario Science Centre, the Art Gallery of Ontario, the Royal Ontario Museum and all the other provincial work places in the area.

I represent as well the thousands of public service employees who work at Queen's Park within blocks of this meeting room. In all, I represent over 22,000 workers in this municipality and on their behalf I am here to make a promise. We are committed to making a mockery of your bill because your bill mocks us.

You will have heard the phrase "cruel joke" applied to Bill 179. We know the joke is on us but we also know that we will have the last laugh. In the meantime, we insist that you know this: we understand that you are playing a trick on us and that you intend to hurt us. You can hurt us and you will hurt us but you cannot and you will not fool us.

We understand what you are up to and we will hurt you back. You may take this to be idle rhetoric or you may, if you are genuinely blind to the real results of your actions, be offended about what you will interpret as a threatening verbal posture. I can do nothing to reassure you but I can explain to you why we are so angry and why we do not believe you when you attempt to justify Bill 179.

I was in the audience last week when a spokesman from the chamber of commerce chatted about all the myths that are wrongfully attached to public sector workers. He went on about job security and he repeated the nonsense about our alleged lack of productivity. However, when he came to what in his idiom would be called the bottom line, he had no serious argument to put forward in defence of public sector wage controls. Instead, he was reduced to saying that he hoped he would have some beneficial psychological and attitudinal effects.

I do not know much, nor do I particularly care, about his head space, but I do know a little about the economy. I know that I am not short on good attitudes but that I am short of cash. I know because I tried it out two nights ago at the Dominion store. The Dominion stores do not accept positive psychological attitudes in exchange for a loaf of bread. They want money, but Bill 179 takes money out of my pocket and out of the pockets of half a million working people. It does so at the most absurd time and in the most unjust way, and we would like you to think about it.

According to Mr. Davis, our real problem is inflation and one of the most important causes of inflation is high interest rates. To reduce interest rates, he says, government must borrow less so that more money will be available to business for investment and investment will bring about more jobs. Thus, public sector workers must get paid less so that money will be put into

the private sector. How then can he explain the fact that interest rates have fallen for a number of months and are now at their lowest rate for the past two years?

10:50 a.m.

Since his wage control package is not yet law and was not even introduced when the rates started to fall, it is obvious that something else was at work. I hope you will not think me too cynical when I suggest the current drop has something to do with the fact that Ronald Reagan is facing an election. I also hope you will not be surprised when interest rates climb again after that election. After all, public sector wages have precious little to do with inflation and will not help when the international corporations put the squeeze on after the November Congressional elections.

According to Mr. Davis as well, the limit on public sector wages is needed to slow the general trend of wage increases and get the consumer price index under control. But again the consumer price index has been falling and both public and private sector wages are generally rising at a rate lower than the inflation rate as, of course, they have been all along.

When we look back at the wage controls of 1975, we see an interesting parallel. Inflation was going down then too. However, as soon as wage controls were put on, the trend was reversed and prices started to rise again. Only in recent months have prices begun to fall. Therefore, true to form, the Trudeau-Davis coalition has decided that enough is enough: "Prices cannot fall. We need to strike back. We need to lower wages, for only then can we get inflation back." I hope this sounds like nonsense because it is. However, it is also the policy of the Davis government.

I am told that age brings senility. This I am sure is something of a slur against the thousands of elderly citizens who remain sound of mind and body but, with respect to major organizations, there may be a valid point. The Liberal government in Ottawa has, with the exception of the Diefenbaker aberration and the amusing interjection of Joe Clark, ruled this country since 1935.

The Conservative government in Toronto has without exception ruled this province since 1943. The Liberal-Conservative rulers have plainly begun to fade for even their slogans, not to mention their policies, have become nonsensical. When inflation fighting means rising prices, we are plainly involved in a new brand of newspeak. The only valid slogan remaining seems to be, "It is time for a change."

To explain why a change is needed in both the personalities and the policies of our government, we must explore the topic of wage controls dispassionately and in a nonpartisan fashion. I propose to tell you to the best of my ability why it is that wage controls cannot and will not work.

Wage controls means depressed consumer expenditures. Those who advocate controls argue that such lowered consumption rates

will lead to lower prices. Thus inflation will be brought under control and our economic problems will be solved.

Paradoxically, proponents of wage controls are usually champions of the free market system. On the one hand, they hold that a major cause of inflation involves excessive wage increases gained for the most part by unionized workers. On the other hand, they seek to arrest inflation by throttling the free market process by which unions and management settle wages through collective bargaining systems.

Price rises to these bogus free marketers are the fault of consumers; for example, working people. If workers earn too much, they argue, their collective demand will be excessive and businesses will have no choice but to respond by gouging them, thus producing inflation.

Canada's current slide towards wage controls is based on such a hypothesis. Working people are told that they must suffer in order to beat inflation. They are told they are to blame for inflation because they are too greedy and have been living beyond their means. Now they must pull in their belts. Advocates of wage controls, if they are sincere, are either living in another age or another country. If they are not sincere, then they are simply sycophants hoping to get the nod from the right chairman of the right board of directors to ensure a comfortable life in business after they retire from politics.

Whatever their motives, they tend to be believed by many working people who have been hurt by inflation and unemployment for years. Working people are rightly frightened, terrified. When our experts and leaders give us a scapegoat, we often believe them. The scapegoat for the working person? Other working people and unemployed workers. In fact, if the propaganda is effective enough, working people can even be led to blame themselves.

Enough. The inflation rate in Canada today has nothing whatever to do with working people's wages. Canadians' incomes have fallen in purchasing power since 1975. No, inflation today has been brought to its current level by a number of factors quite unrelated to working people's wages. The three major causes are outlined below.

First, the Canadian market is not a free market. It is possessed of a degree of corporate concentration and control that is unknown in other industrial countries. There is not enough space here to begin to document the way in which a small handful of corporations dominate our economy. Suffice it to say that from mining and metals to forest products, banking, automobile manufacturing, food distribution, energy, transportation, communications, appliances and government marketing and regulatory boards, significant price competition is absent. Beyond the vise-like control of the dominant companies, price competition is left to the small business sector which, like working people, is being battered by the arrogance of the corporate elite.

To argue that the dominant companies will lower their prices if working people endure lower wages is farcical. If the firms

cannot set prices at a high enough level to suit their investors and company forecasts, they simply shut down or decrease production in order to create shortages and raise prices for those working people or small businesses that can still afford the product or service. Similarly, anticipating a deteriorating local market, Canadian branch plants, even if profitable, will close up shop and service the Canadian market from the head office, raising their prices in Canada accordingly. To the dominant corporations, then, wage controls in Canada invariably present a weaker consumers' market and, therefore, layoffs and shutdowns until the picture improves.

Second, extortionate interest rates in Canada have been a prime factor in causing inflation. When working people or firms or governments borrow, they are simply discounting their future earnings. The higher the interest rates they pay, the lower their future spending power will be, unless their net income rises more than their interest payments. Rising interest rates, therefore, are a form of future income control.

Furthermore, when corporations borrow at high interest rates they must either expand their markets or increase their prices to compensate for their high interest payments. With wage controls there will be no expanding domestic market; thus, corporations will raise prices. Meantime, to government, higher interest means greater difficulty in fulfilling general expenditure responsibilities.

Today, it is the high cost of government debt servicing--that is, interest payments--that poses the problem. Historically, total government indebtedness in relation to national productivity is not at all severe, nowhere near, for example, the rate of indebtedness we endured during the Second World War, but because of the high cost of servicing the debt the government has decided to cut back on other costs and raise taxes.

The taxes are, of course, designed to hurt middle-class and working-class Canadians and the poor. Tax breaks for corporations go hand in hand with Frank Miller's decision to add seven per cent to the cost of a McDonald's hamburger. The cutbacks have taken the form of attacks on public service wages and reductions in social service benefits. How do these cutbacks help to cut prices? Nowhere, except perhaps in the bargains occasionally to be had in small entrepreneurs' "going out of business" sales. In the meantime, interest rates remain not only inflationary but also increasingly important as a throttle on the economy, producing further layoffs and unemployment.

Third, and finally, the current inflation rate can be directly attributed to the productivity gap. Canada's productivity capacity is running on idle. Inflation involves productivity lagging behind market demand. The proponents of wage controls ignore the fact that price competition is essentially absent in Canada's dominant corporate structure and incorrectly assume that corporate productivity will increase and prices will drop as competing firms scramble for a share of a smaller relative market. Not so.

In 1975, people's wages were controlled and they have been declining ever since. The controls were introduced at a time of recession. So rather than attacking inflation, and along with our lack of a price-competitive economy, productivity declined as consumer expenditure weakened. At first small, and then larger and larger plants shut down or slowed down, either through impending bankruptcy or in order to raise prices.

While small, competitive firms have been most drastically affected by this process, even the automobile cartel was badly hurt and needed to be bailed out by government and, most recently, by Canadian auto workers. But did this cartel lower its prices to compete for the scarcer dollars of working people? No. They raised them.

The only reduction in price, other than bonus-buy gimmicks, has been General Motors' sale of bargain price Malibus that were intended for Iraq but turned down because the Iraqi government considered them inferior products which had been falsely advertised. Thousands of these were sold in a matter of days without a penny being spent on advertising. GM's only reported response to this miracle, as thousands of other unsold cars lay idle, was that they should have charged more for the Malibus.

Wage controls are an aberration. They are a desperate attempt on the part of the members of those boardrooms where empire building and price gouging have become respectable to avoid rational profit and price controls. Profit and growth are not necessarily bad words. It would seem, however, that the Canadian corporate elite are determined to make them so. As they do, we can merely hope that they, along with their friends in government, will not drive the economy into such a tailspin that they themselves will discover too late that their own profits were, in the last resort, dependent upon at least moderately growing purchasing power in the hands of working people.

11 a.m.

To conclude, I think it only fair to take some of the blame away from the provincial government and allow it to be shared with the Dominion government in Ottawa. On the way to this meeting last night--it was held over until this morning--I was listening to the radio and heard a very interesting report on the news. It seems that a shipbuilding company in Quebec is laying off its workers during the winter months, but hopes for better times ahead. The better times depend upon a \$30-million subsidy from the federal government to build a ferry for use on the St. Lawrence. However, the federal government's offer has a hook. It will be granted if, and only if, these private sector workers agree to live within the federal six and five formula.

Simply stated, it means that our tax dollars will be given away to a private company provided that the workers in that company agree to work for less than they are rightfully entitled to. The free enterprisers will be thrilled. This is socialism. But, as usual, it is socialism for the rich. Of course, if you have not already guessed, the shipbuilding company in question is a subsidiary of Dome Petroleum. Do you get the message?

At both the federal and the provincial levels, the Liberal-Conservative governments are killing the economy. But they are not killing it by spending too much on medical care, education, family services, highways, communications and, of course, child care. They are killing it by giving the hard-earned money of ordinary people away in the form of gifts to business. It is laughable to hear business leaders whine and complain about attitudes, but it is no longer merely funny to see the real pain their friends in government inflict.

Bill 179 is an iniquitous and unacceptable law. It defeats civil rights. It defeats our economy. It defeats us all. Today, the government in Poland began its deliberations on its own Bill 179, a law that will punish the unemployed. We have not yet fallen to that level, but our own leader, General Daveseslsky, has taken away our right to strike and our right to arbitration. Even the Polish Communists have not gone quite that far. How far will you go? In solidarity, we will oppose you.

Mr. Chairman: Questions? There being no questions, thank you for your presentation.

The next witness is from the Ontario English Catholic Teachers' Association, Metropolitan Toronto unit. Mr. Fredette is the president.

While he is coming to the microphone, the chair has had some time to reflect upon an earlier motion. There is some grave doubt in my mind as to whether we have a valid motion. Therefore, after the public has been heard at 12:30, so we do not impose upon them, I will entertain, if someone wishes to introduce it, a further motion on the topic. It may well be that we have no motion at this time. Mr. Elston, I think we have unanimity on that suspicion.

Mr. Fredette: My name is Ray Fredette and I am the president of the Ontario English Catholic Teachers' Association of Metro.

Mr. Chairman: This is exhibit 43.

Mr. Fredette: Mr. Chairman, honourable members, the Metro elementary unit of the Ontario English Catholic Teachers' Association represents more than 4,000 members. When combined with the Toronto high unit of the OECTA and the Association des Enseignants Franco-Ontariens members employed by the Metropolitan Separate School Board, there is a single bargaining unit with well in excess of 5,000 members here in Metro.

Our concerns centre around general principles and the thrust of Bill 179, as opposed to its specific details. I have divided this into three main areas, the first being entitled Collective Bargaining--Right to Strike--Teacher Settlements.

Free, unimpaired, unimpinged collective bargaining is a right that is being denied by Bill 179. We cannot willingly accept, in fact we strongly oppose, any government action that curtails this right. The School Boards and Teachers Collective

Negotiations Act, known as Bill 100, has been a very effective vehicle for the local resolution of negotiations.

Only a very small percentage of impasses have resulted in strike action since the implementation in 1975 of Bill 100. We believe the government has jumped the gun in its suspension of the right to strike. The low rate of use of strike action and the teachers' associations well documented trend of settling below the consumer price index over the past number of years are clear indicators that teachers are responsible citizens and that the social contract is working.

In his June 1982 presentation to the Ontario Public School Trustees' Association, Dr. D. A. L. Auld of the department of economics, University of Guelph, reports that "private sector wage increases have exceeded those in the public sector in the province of Ontario." Dr. Auld further details the education division of the public sector, and reaches three conclusions:

"1. Wage increases in this division, namely the education area, of the public sector have fallen short of wage gains in Ontario private sector.

"2. School board settlements in Ontario lag behind those in the rest of Canada.

"3. In every quarter since 1978, the rate of increase in the wages of the school board sector has fallen below the rate of inflation indicating a cumulative decline in average real wages over the 1978-81 period of more than seven per cent."

Dr. Auld's report is clear proof that teacher settlements are not the fuel of inflation. Over the last number of years, teachers, through their settlement trends have already answered the Prime Minister's call for wage restraints. The problem now is that we cannot answer the Prime Minister's call voluntarily within our parameters of interpretation. The imposed parameters of Bill 179 treat us as irresponsible and not worthy of trust.

The Prime Minister also calls for our trust as individuals and as groups. Provincial government is here further displaying its mistrust of the public sector. I would like to quote from the Toronto Star of Friday, October 22, in its editorial, "Leading from the sidelines." One paragraph is worthy of note:

"Is the atmosphere of trust enhanced when the government expresses its faith in the willingness of Canadians to voluntarily do the right thing--but takes the precaution of restraining its own employees by law and taking away their right to strike? Is our sense of closeness to each other strengthened when Queen's Park rolls back agreed raises for clerical workers making less than \$20,000 a year--but not for doctor's making \$80,000?"

I would like to continue. Bill 179 destroys the social contract that we have established over the last seven years. The Education Relations Commission and Bill 100, being the major instruments of a balanced social contract, will be superseded and rendered impotent. Working conditions in schools and educational

issues ultimately will be resolved by the Inflation Restraint Board, a body totally unfamiliar with these matters.

I would like to move on to another section, controls in general. Controls in their essence are ill-advised; by their nature, always unfair; and by their experience, unmanageable. As with the 1975-78 Anti-Inflation Board and the federal government's 1982 six and five proposal, controls on prices will be barely effective under Bill 179 and controls on interest rates are nonexistent. Such as it is, since these wage controls are coupled with extremely weak and nonexistent price and interest rate controls, Bill 179 is doomed to failure in the resolution of any practical economic redress or of any positive mass psychological influence.

Even if one accepted the need for controls, the timing of these controls is totally wrong. Most of the economic indicators seem to have peaked in the summer of 1982. Inflation rates are going down; interest rates are going down; the stock market and the dollar are up. Even with the movement in the last two or three days, the market is still about 200 points up from the position in July. Further to that, the Conference Board of Canada, in its report Monday, stated that the economy is generally on the rise, with the prediction of a slow, steady growth.

Further, for a government which prides itself in not meddling in the economy and encouraging free enterprise, Bill 179 seems to be a knee-jerk remedy applied to a patient who is already getting better. Any economist would substantiate that the employment and bankruptcy rates still need many months to follow suit but they will improve.

11:10 a.m.

The Conference Board of Canada mentioned that they see the unemployment rate peaking at 13 per cent, then staying at 10.5 per cent during the next five years. So there are indicators on the positive swing.

Why not let the latest round of improving and positive economic indicators run their course? Let the wages and wage demands also follow their natural downward course paralleling inflation. Wages and salaries have always chased inflation and not the mythical reverse.

Yes, we are cognizant of the high unemployment and of the concept of job security. Job creation should be the first focus of the government's time and effort. Nothing in Bill 179 equates to the creation of one single job, except for maybe a few bureaucrats in the Inflation Restraint Board.

With all due respect to the members present, our elected representatives should have better things to do with their time and their mandate than considering punitive, divisive legislation. In his October 12, 1982, letter to me, Premier Davis states that the government is "... currently working on a further series of initiatives designed to generate employment and to stimulate economic activity."

The four months wasted on the drafting and consideration of Bill 179 would have been better spent on the Premier's initiatives mentioned above, but they have as yet to be seen.

The third area of concern is selective controls. Selective controls are unfair and unwarranted. The public sector represents approximately 15 per cent of the population. How will 15 per cent of the population save the larger economic base? It cannot and will not. The public sector has been wrongly targeted as the scapegoats for economic decisions taken by other groups.

In trying to justify selective controls, Premier Davis further states in the same letter, "...with far less job security than employees within the public sector, private sector workers may well be called upon to restrain their wage demands even further, without the imposition of mandatory controls.

"Similarly," the Premier goes on, "the real profit losses being experienced by many industries seriously question the need for price controls at this juncture in our economic history.

"The same discipline does not operate in the public sector. We believe that the public sector as a whole should shoulder its share of the recession."

The Premier's premise seems to be that the public sector is less capable of voluntarily adjusting to the economy through consultation and negotiations and for some reason it is thought to be immune to the economic realities. The public sector has long been shouldering its share of the recession as Dr. Auld's report proves.

The government states that the public sector will be affected for only one full year at five per cent. We argue that many of our numbers--I have tried to determine this in the last few days; we are looking at hundreds--many of our members will be affected for the rest of their lives. Not just for the year or two that we go through this bill. All those members within seven years of possible retirement will have the five per cent limit and the \$35,000 cap on category upgrading, negatively affect the calculation formula for their pensions. This bill will undo a just and deserved portion of these members' pensions for the rest of their lives.

Qualifications upgrading for teachers were, at some points, mandated in the last decade, and at all times encouraged, by the government of Ontario. The process and the moneys involved in category upgrading were always independent of grid percentage settlements. The years of hard work leading to upgrading must be rewarded, and rewarded to all.

A discretionary cap of \$35,000 is unfounded in rationale or fairness and further outlines the punitive nature of this bill. Bill 179's financial damage will be felt well beyond its intended period. I say to you that the social contract damage will also reach well beyond its intended period.

In conclusion, it is our opinion that a democratic government is not following its mandate when on the one hand it parades and boasts itself as the supporter of the federal Charter of Rights, and on the other hand, in its own jurisdiction, the same government attacks rights.

We are wary of this dangerous double-speak especially since it is only two weeks ago that the Attorney General (Mr. McMurtry) seemed to have taken pride in his ministry's preparedness against legal counter-attack by the OFL based on the Charter of Rights section on nondiscrimination. All the arguments were prepared ahead of time to support Bill 179 in the light of the charter. This attempt at pre-empting legal challenges further highlights the government's insecurity and uneasiness with the bill and indicates the government's arrogant lack of respect for its citizens.

We were reminded at that time that the charter is still not in effect and that Ontario won't live up to the spirit of that law. We wish to remind the Attorney General and the government he helps represent that his position also encompasses the defence of justice and it is fitting, or cynically ironic, that this presentation is made to the standing committee on administration of justice. We see little natural or legal justice in Bill 179 and request its withdrawal.

I have an addendum. Because of the timing, I couldn't incorporate it quickly. It is a press release from the Archdiocese of Toronto, written by His Eminence G. Emmett Cardinal Carter. I won't read it all to you. It is there before you. I wish to highlight some areas.

Paragraph one: "The Catholic Church has clearly and officially defended the rights of workers, including the right to form labour unions, the right to collective bargaining and the right, within reasonable limits, to back up the bargaining rights with strikes."

The fourth paragraph: "Various elements in our society are searching for solutions." This is in reference to the economic crisis. "There are no easy or simple answers. What is clear, however, is that no solution can be accepted which abrogates the basic rights of workers to bargain collectively and in some circumstances to turn to the strike as a final resort."

On the back page, in the fifth paragraph, "Any economic plan that involves the denial of the rights of one segment of society affects the quality of life of us all and can only make us all poorer as a result."

Now, representing Catholic teachers, we have no problem with rendering unto Caesar and rendering unto the church but it used to be a 50-50 split and the power of Bill 179 certainly is going the wrong way in our view. Thank you.

Mr. Chairman: Thank you very much, sir. A question, Mr. Sweeney?

Mr. Sweeney: Thank you, Mr. Chairman. The presenter of the previous brief made very clear that the majority which the government holds means this legislation will go through regardless of what the opposition parties do. There are a number of areas where significant changes can in fact be made.

I notice in the first section of your brief you talk about collective bargaining. There are also, we understand from talking to many groups of teachers, what are called nonmonetary issues that should continue to be bargained. Do you, representing your particular members, feel there should be an amendment to the legislation permitting you to bargain, to negotiate and even to strike in those areas that are not directly affected by the five per cent limitation? Have you discussed that with your members?

Mr. Fredette: We have a lot of problems with seeking amendments. Like not only the previous presenter but others we have heard over the last week and a half, we don't seek amendments; we seek the withdrawal of the bill.

Mr. Sweeney: I appreciate that.

Mr. Fredette: To answer your question, giving us some of our bargaining rights or some of the strike rights seems to be ludicrous. If you are going to withdraw one per cent of our rights, you are impinging on the principle. Anything between one and 99 per cent is unacceptable.

Mr. Sweeney: All right. I go to another section of your brief. You made reference to the \$35,000 cap on the grid. It would be my understanding--you could explain this to me--that the \$35,000 cap would be for one year. The grid is on the basis of years of experience. I think the subsequent year would permit someone to make that up--correct me if I am wrong--jump two years or whatever the case may be, and get in their rightful place on the grid again. Is that right or wrong?

11:20 a.m.

Mr. Fredette: Hopefully that is right, they can. In our reading of section 19, we are not sure if there are any controls against the catch-up factor in the year 1984-85. It can be read both ways and we are not sure how the regulations are going to fall. We hope that is the way it will go. If next year, the year they are affected, falls in the seven years before retirement, it is still thrown into the formula. It is a negative effect in the formula.

Mr. Sweeney: Have you and your group proposed any possible amendment to this legislation which could negate the pension effect of this legislation? I strongly suspect that was not fully understood when this legislation was originally drafted.

Mr. Fredette: No, we have not proposed the amendment.

Mr. Sweeney: Would you be prepared to attempt to do it?

Mr. Fredette: Not at this time. I would have to reconsider that.

Mr. Wrye: I should make it clear that my colleague was not here late last night. It is my understanding, and I think the chairman's as well, that last night, as a point of information, the Treasurer (Mr. F. S. Miller) indicated there would be no catch-up on the grid, that you would fall behind. I believe that was the point the Treasurer made; I simply give you that for your information.

Mr. Fredette: Under section 19? Is that the Treasurer's interpretation?

Mr. Wrye: That is the Treasurer's interpretation.

The witness is aware of the price side of the bill and where it stands now. I would like to read a quote from the Minister of Energy (Mr. Welch), who was commenting yesterday on the announced increase by Ontario Hydro of 8.4 per cent, which seems to me to be significantly above the five per cent restraint guidelines established on wages. He said: "It was a very, very responsible decision. I am delighted."

Given the fact that the minister would have to approach Dr. Elgie and ask for a review of such a decision since he is the line minister, perhaps you could comment on Mr. Welch's belief that it is a very responsible decision. I might ask you if you have any suggestion by way of amendments where we might give somebody other than Mr. Welch the power to ask for a review of such decisions.

Mr. Fredette: I do not see why there is delight at going from 14 per cent, which was the original request, down to 8.4. If that is going to be paraded as a good and responsible position of the government while we sit and consider five per cent--and most collective agreements will be less than five per cent if you throw in other things; it will not be five per cent on the grid--if we have that dichotomy in the cabinet, you are not going to sell this bill very well and you will just expose the problems the cabinet has with it and in the real controls in the price area.

As for the second part of the question, where the restraint board has complete discretionary power in entertaining appeals or reviews, it works both ways. They can also use that discretionary power to help things not to come to the public, such as a review on 8.4 per cent. A board that is going to be in this type of legislation should have more control on itself too, namely from the House, from a standing committee or something. It has far too broad a mandate and discretionary power.

Mr. Cooke: On page 4 of your brief, you indicate this bill is going to affect 15 per cent of the population. How did you come up with that figure?

Mr. Fredette: That is a combination of public servants, federal and provincial.

Mr. Cooke: Okay. There are some three million in the

work force so this bill really affects a higher percentage of the work force in Ontario.

Mr. Fredette: Correct.

Mr. Cooke: Do you have any idea why the trustees decided to commission the Auld report? What was the rationale leading up to that?

Mr. Fredette: I would not guess at the rationale for asking for the report. Just as the trustees do, we commission reports once in a while to get a good pulse reading and a third, independent, objective observer, an expert, to review some economic areas. So I would not hazard a guess as to any ulterior motives.

Mr. Cooke: There was no prior discussion with the teachers' groups?

Mr. Fredette: There might have been at the provincial level, but I am not cognizant of that.

Mr. Renwick: I would like to ask you if you are aware of the rather strange statement the Treasurer made with respect to arbitration in the public sector. He was echoing a comment by the Premier (Mr. Davis) when he was in Halifax in August at the Premiers' conference. On September 23, in the Legislature, the Treasurer was speaking about something that he referred to as pressures within the private market system. He said:

"These pressures are not felt as strongly in the public sector. We do not make profits, we do not have shareholders to report to and a large number of our wage settlements are the result of binding arbitration, a process that is not directly under our control."

Are you aware of that statement? Can you throw any light on what the Treasurer meant when he made that kind of statement? It is similar in a sense to the one the Premier made in August, when he said this whole question of the public sector and the role played by the arbitration system in perpetuating the inflation cycle should be reviewed. Can you make any comment about that?

Mr. Fredette: My comment is that it seems to reflect disdain for the third-party arbitration system. It flies in the face of many decades of labour laws that we have established in Ontario and in seven years of teacher negotiation laws we have had here. That disdain is obviously reflected in Bill 179 also.

Here we have established over decades a very fair and equitable system whereby, if two parties could not come to an agreement, they went to arbitrators and reached settlements. It has helped to avert strikes. It is a very good, viable vehicle. It is a good tool for the resolution of disagreements leading to settlements.

If you look through the records of arbitration cases in various areas--that is how they set precedents--usually they

follow precedents. Usually, arbitrators are not trend setters. They find a just, middle ground on established historical procedures and settlements. So all the Treasurer can do is repeat that he really does not trust that system. The fact that it is out of the government's control, well, that is the whole purpose of it, that it be independent. It seems to be completely backwards thinking.

11:30 a.m.

Mr. Renwick: I would take it that Dr. Auld's study, which you referred to in your brief, the one that was done for the Ontario Public School Trustees' Association, would refute the statement by the Premier that the role played by the arbitration system in perpetuating the inflation cycle should be reviewed. I take it that Dr. Auld's findings were directly counter to any suggestion that arbitration had perpetuated the inflation cycle.

Mr. Fredette: It is very clear. We quoted Dr. Auld because it was commissioned by the trustees to make it clear that it was not the teachers' point of view and that we are more than at arm's length from a commission's report and of its findings. Dr. Auld's report looked at about seven per cent. The Education Relations Commission came out with a similar study going back to 1977, and their findings came in at about 15 per cent behind the consumer price index. And here I am quoting Dr. Auld at seven per cent; so it is not as if I am unduly weighting the arguments. It is not a doctored position.

Mr. Chairman: The next group is from the Ontario Nurses' Association, brief 44. This group, call it the umbrella group, is followed by the fourth set of witnesses, Local 41 and Local 39 of the Ontario Nurses' Association. They each have separate briefs, but perhaps each group could make its presentation in order and then perhaps the questioning could be of all three groups at the same time in the interest of brevity.

Also, we would appreciate it if, as much as possible, you could summarize your brief rather than reading it.

Mr. Renwick: For myself, I find it very informative and instructive if the whole brief is read. I am afraid, with great respect to my colleagues, the briefs will not be read if they are not read into the record.

Mr. Chairman: Mr. Renwick, we had a subcommittee meeting on Monday, and one of the consensus--

Mr. Renwick: I cannot be everywhere, Mr. Chairman.

Mr. Chairman: I beg your pardon?

Mr. Renwick: I said I cannot be everywhere.

Mr. Chairman: No, sir. But as a solicitor, ignorance of the law, etc.

Mr. Renwick: Don't put me down, Mr. Chairman.

Mr. Chairman: No, sir, I will try not to. One of the consensus matters--to explain this to the group--one of the consensus matters on Monday was that we attempt to encourage the groups to summarize their briefs rather than reading them. That was agreed by all three parties. It was the consensus of all three parties.

Ms. Phillips: Mr. Chairman, before I begin, I would like to point out that we do not wish to consolidate our questions. We would prefer to have the question period answer each group separately.

Mr. Chairman: Thank you. The chair has tried.

Ms. Phillips: I would like to thank the committee for inviting the members of the Ontario Nurses' Association to appear before it this morning. Before I begin, I would like to introduce the members of the committee present with me. On my immediate left is our chief executive officer, Anne Gribben; on my far right, our director of employment relations, Dan Anderson; and next to Dan is our research co-ordinator, Bharrat Latchman.

We have consolidated our brief. You have the original brief before you, but the presentation I will now make is a summation of most of the pertinent points in that brief.

The Ontario Nurses' Association, which represents about 35,000 nurses across this province, is adamantly opposed to the implementation of the Inflation Restraint Act.

Bill 179 suspends virtually all collective bargaining rights for Ontario nurses, leaving them without any effective mechanism for the resolution of disputes over compensation and working conditions for the next two years.

Actually we are rather puzzled as to why the government would even contemplate such legislation when wage settlements are already coming in way below inflation and most indicators point to even lower wage settlements in the months ahead.

We are even more baffled that the government has seen it necessary to deprive the nurses of their collective bargaining rights in areas that have no effect whatsoever on the economy.

Bill 179 does not even allow for disputes over noncompensation issues to be taken to arbitration. But it is very difficult to comprehend what provisions such as grievance procedures and scheduling have to do with economic restraint. These areas have no economic or cost impact, and freezing them for two years will in no way reduce the cost or help the economy out of the current recession. It is improvements in these various provisions that are needed to improve work relationships and, thereby, improve productivity and reduce inflation.

By preventing any improvements in these noncompensation areas for the next two years, the government is doing just the opposite of what it claims is its purpose in enacting Bill 179.

What justification is there for suspending the arbitration process for some 30,000 hospital nurses on noncompensation issues?

For the nurses who work in the public health field, Bill 179 delivers a devastating blow. The average salary for public health nurses represented by the Ontario Nurses' Association is as much as \$6,000 behind the average salary of ONA's hospital nurses and their counterparts who work for the city of Toronto.

In 1975, the federal government's anti-inflation program slashed the public health nurses' negotiated wage settlements in half and took away the one opportunity these nurses had of bringing their salaries into line with other nursing professionals. Now, once again, the public health nurses are getting shafted.

In one quick stroke, Bill 179 suddenly imposes wage controls that denies these nurses any opportunity to improve their relative wage position. With Bill 179, the only recourse these nurses have to call attention to their plight is stripped away. Without the right to strike, these public health nurses have lost whatever bargaining powers they had. How, then, are they to negotiate a fair deal for themselves and improve their relative wage positions?

Nurses who work in nursing homes and homes for the aged will also suffer under Bill 179. These nurses, as well as their counterparts employed in hospitals, saw their right to strike taken away back in 1965 with the imposition of the Hospital Labour Disputes Arbitration Act. From that time onwards, these nurses have been locked into a system of binding arbitration, a system that is riddled with time delay over which the nurses have no effective control.

The chart attached to our written brief illustrates the delays involved under our present system of compulsory arbitration all too clearly. Nurses in some nursing homes are awaiting the release of arbitration awards, and others are awaiting the establishment of boards some one and two years after their collective agreements expired.

These nurses are already seriously disadvantaged by the inherent delay in the arbitration system. Now they find themselves doubly penalized with the imposition of Bill 179.

11:40 a.m.

If it were not for these kinds of delays that are an unfortunate part of our present arbitration system, and I must point out that these are delays over which these nurses have no control, many of these nurses would have had a collective agreement in effect at the time of the introduction of the bill. They then would not have had their wages and working conditions controlled to such an extent and for such a long period of time.

By now, it must be very clear to this committee that Bill 179 is unduly harsh and unfair to the nurses of Ontario and will have very profound implications on their collective bargaining rights. The restraint program also means a very substantial

decline in real wages for these nurses.

During the past five years, nurses' wages have already fallen about 10 per cent behind inflation. Now, with wage increases held down to nine and five per cent for the next two years, nurses will suffer another six to seven per cent decline in real wages by the time they come out of controls. This not only will mean a drastic cut in the standard of living for most nurses but will also mean an even more difficult time in keeping the Ontario labour market supplied with qualified nursing professionals. Why should a nurse work in Ontario when her counterpart in Alberta is already earning 17 to 20 per cent more?

If you refer to our brief, you will see that we have detailed a number of examples to illustrate the dramatic impact of this bill on nurses across the province. I urge you to consider these situations to gain a better grasp of the terrible toll this bill will inflict on Ontario's nurses.

In closing, we sincerely urge this committee to seriously consider our recommendations. Of course, it goes without saying that, in view of the current recessionary economic conditions, we see no justification for the existence of this bill. We therefore recommend to the committee that Bill 179 be withdrawn in its entirety.

However, if the justice committee is not prepared to recommend the complete withdrawal of this bill, we urge the committee members to accept the following recommendations:

(1) Amend the act to require a board of arbitration or a single arbitrator to assume full jurisdiction under the applicable legislation to deal with both compensation and noncompensation issues in disputes where arbitration was invoked by the parties prior to September 21, 1982;

(2) Amend the act to allow a union or an employer the right to bargain for and arbitrate under the applicable legislation, or allow the option to strike where that right exists for noncompensation issues regardless of when arbitration was invoked;

(3) Amend the act to allow employees the right to accept any compensation offer made to them by an employer on or before September 21, 1982, where such offer applies to their transitional year or pretransitional years as defined under the act; and

(4) Amend the act to exempt those employees who were certified before September 21, 1982, and who are negotiating a first collective agreement from the provisions of this act. This is provided that such a first collective agreement must expire in the control year as defined by the act, and thereafter such employees would be subject to the act.

On behalf of the 35,000 nurses in this province who are represented by our association, I again thank you for the opportunity to appear before the committee. Now, if there are questions, we will be very pleased to answer them.

Mr. Wrye: On a point of order, Mr. Chairman: I note that it is now almost 10 minutes before 12 o'clock. This committee met at 10 o'clock this morning, and I do not see the parliamentary assistant in this place. I understand that the cabinet meets on Wednesday. The cabinet should understand that too, and there should have been some provision for the parliamentary assistant to sit in during this time.

I notice that the deputy minister has not been in his place, and this delegation particularly has offered to us for the committee's consideration and that of the Treasurer a number of technical amendments that I think deserve a little consideration from this government. I think it shows contempt for the committee and for these witnesses that the parliamentary assistant is not in his place.

You indicated to us at 10 o'clock that he was caught in traffic. The parliamentary assistant must be in one gigantic traffic jam, since he was only coming in from Mississauga. I would ask you to find out where in heaven's name the parliamentary assistant is.

Mr. Bradley: Or where the Minister of Health (Mr. Grossman) is.

Mr. Chairman: Thank you. I understand that the parliamentary assistant and the deputy minister are being searched for.

Mr. Elston: Are they together?

Mr. Bradley: Have you got a posse up?

Mr. Chairman: I suspect so. Mr. Sadlier-Brown, are you prepared to answer some of these recommendations that the nurses' association has regarding amendments and to deal with them?

Mr. Renwick: Is this a departure? You do not allow the deputy to answer. I am delighted that Mr. Sadlier-Brown is with us this morning to answer for the ministry.

Mr. Sadlier-Brown: No, I do not think I--

Mr. Chairman: That was a good lead. Thank you, Mr. Renwick.

Interjection.

Mr. Chairman: Thank you. On the point of order, your comment is well taken. They are being searched for. It is not technically a point of order. He is not technically required to be here.

Mr. Wrye: Maybe René can sit in.

Mr. Chairman: Did you have anything else, Mr. Wrye? Any questions?

Mr. Wrye: No.

Mr. Chairman: Mr. Mackenzie?

Mr. Mackenzie: No. I only want to congratulate the group on the wealth of factual information that is in their brief, which is extremely helpful in taking a look at the legislation. I also want them to know that our position will be the withdrawal of the bill. We understand the arguments they are making, but we have already suggested this on at least a couple of occasions in the House without the votes to back it up.

Mr. Renwick: Mr. Chairman, mine is really a request without precipitating a fight in the committee. I am just wondering in a very gentle voice whether the particulars, to which my colleague has referred, of the analysis of the state of the collective agreements and the impact of the bill on those agreements set out on page 6, up to and including the table immediately preceding the proposed recommendations, possibly could be appended to the proceedings of this morning's hearing so that the public record will show the analysis of the state of each of those collective agreements and the impact of this bill on those agreements. Would that be possible?

Mr. Chairman: Thank you. It is the consensus of the committee that all the pages following and including page 6 down to but not including the recommendations of the nurses' association be appended to and made part of this morning's proceedings in Hansard.

11:50 a.m.

Mr. Bradley: Mr. Chairman, appending that will be very useful for us and the information provided is useful to us.

The only further question I have is that while you have outlined four specific areas for possible amendments--your first position, of course, being that the bill be withdrawn, and recognizing this is your optimum position--having presented the amendments, you have picked four specific areas, and your group and other groups have outlined that there are problems even in other areas.

Would you see any other areas of amendments that are possibilities? I recognize that these are your most important areas. Are there other areas of amendment to the bill that would be worth considering should the government choose not to withdraw the bill?

Ms. Phillips: I will ask Mr. Latchman to respond to that.

Mr. Latchman: Yes. There is the area of pensions, for example, and the impact it would have on the nurses--as one mentioned this morning, forever actually. In the event that it is not withdrawn, we would very much like to see amendments that would negate the impact on the pensions.

Mr. Bradley: I guess you probably do not have a problem

with the \$35,000 threshold. Obviously you might at the very top echelon. Do you have any problems with that \$35,000 threshold?

Ms. Gribben: Certainly not in this province. Our nurses are not in that category of pay; so we do not have a problem with the \$35,000. We wish we did.

Ms. Phillips: We would welcome such a problem.

Mr. Bradley: Thanks very much.

Mr. Sweeney: Mr. Chairman, first of all I would like to compliment this group for bringing forward such very positive and highly supportable recommended amendments. I just want to be sure I fully appreciate them.

Your recommendation 4 deals with a first contract. If I understand what you are saying there, it is that although these people may be subject to the legislation with respect to the subsequent contracts, the first one, which undoubtedly would involve a considerable amount of catch-up, as it does under most first contracts, should be allowed to proceed, since it was under way before the legislation. That is the sense behind it.

Ms. Phillips: That is the sense behind it, that it would proceed with catch-up and then it would be subject to the legislation.

Mr. Sweeney: Then it would be subject to the legislation in the subsequent contract. You seem to be saying that the first contract, allowed to proceed as it otherwise would have proceeded, should be only for one year and that therefore its subsequent negotiation would come up into the control year anyway. That is your sense, is it?

Ms. Gribben: I think we have examples in some of our tables where if, because of the long delays through certification negotiations, you were to allow these people to be exempt even from this, they would fall under the normal process of the Hospital Labour Disputes Arbitration Act, they would come in, have a collective agreement and have it expire, in fact, even before the end of 1982. So these kinds of things would be--

Mr. Sweeney: You are simply pointing out that it is a self-correcting mechanism anyway.

Ms. Gribben: It is a self-correcting mechanism.

Mr. Sweeney: Okay. In your third proposal I am aware of at least one example of where a group of nurses was offered 13 per cent, if I am not mistaken.

Ms. Phillips: I think it was 12.5 or 13 per cent. I am not just--

Mr. Sweeney: Okay. Somewhere in that area.

Ms. Phillips: Right.

Mr. Sweeney: Before September 21, of course; now they are immediately subject to nine per cent or even less. Your proposal is that if this offer was put on the table in good faith, they now have the option of going back and accepting it. Is that your proposal?

Ms. Phillips: Another point there too, to go to another group of nurses, is that they were offered it on the 21st after lunchtime (inaudible); so they were just that many hours late. That is basically what is included in our proposal. Yes, it would cover that.

Mr. Sweeney: Do you have any way of knowing--and I do not know whether you do--whether the employer who made that offer at that time in good faith would be prepared to stick by it himself? Would he be prepared to support it? Do you have any way of knowing that?

Ms. Phillips: Dan, do you have any comment on that?

Mr. Anderson: I know of one for sure who would. We have a commitment from another that, if the wage proposal they made will be permitted by the act, they are prepared--

Mr. Sweeney: They are prepared to back it up.

Mr. Anderson: Exactly.

Mr. Sweeney: Okay. Under 2, you are talking about noncompensation issues.

Ms. Phillips: That is right.

Mr. Sweeney: You may have heard earlier that this is one of the amendments we are prepared to put forward. Can you give me an example in your jurisdiction of a noncompensation issue? I ask because we are continually being told there is no such thing.

Ms. Phillips: One example of a noncompensation issue, particularly in the hospital sector, would be changes to the grievance processes, as I have mentioned previously. Also, scheduling is an issue that is noncompensatory.

Mr. Sweeney: So it is legitimate to understand that there are genuine noncompensation issues--

Ms. Phillips: Yes.

Mr. Sweeney:--that could continue to be subject to negotiation and if necessary--

Ms. Phillips: Certainly.

Miss Gribben: If it is any help, I think you can take a contract and tear it in parts and you will find you have a fairly long list of noncompensatory issues. Seniority lists, for heaven's sake, is one of them. Layoff clauses are subjects that require notices and discussion. There are numerous ones that would not be.

Mr. Sweeney: I appreciate you confirming the reality of that. Again, let me compliment you on your presentation.

Ms. Phillips: Thank you.

Mr. Chairman: Fine, thank you. Those being all the questions, I thank you for your brief and for your presentation.

Gentlemen, the next brief being delivered to you is from the City of North York Nurses' Association, which is exhibit 45. There is also a brief from Local 39, the Ontario Nurses' Association in St. Catharines, which is exhibit 46.

We would appreciate if you could summarize as much as possible.

Mrs. Hermann: It is very short already.

Mr. Chairman: I beg your pardon?

Mrs. Hermann: It is summarized as much as we can.

Mr. Chairman: Fine, thank you. Carry on.

Mrs. Hermann: We do concur with the umbrella organization and the withdrawal of the bill, but ours is a slightly different approach. The Premier stated in the opening paragraph of his speech introducing Bill 179 to the Legislature that "this bill addresses the issues of vital concern to the health of our economy, our province and all its citizens."

We are also concerned about the health of our economy, but we do not believe that legislation as discriminatory as Bill 179 is the answer. Not only does the bill place the burden of restraints squarely on the shoulders of the public sector but also the full impact will be borne most by those public sector employees caught by the transitional provisions.

Some groups are being faced with a one-year, five per cent controlled wage increase, while others, such as ours, face two years of wage constraints. This will result in inequities that cannot be tolerated.

As public health nurses in North York, we receive less remuneration than our counterparts in many other municipalities, despite training and responsibilities that are, at the least, comparable. We have been attempting over the past number of years to obtain equity by at least narrowing this gap.

Because we will be one of only three or four out of approximately 40 groups of public health nurses in Ontario that will be caught by the transitional provisions of Bill 179, its effect would be to put us even further behind our counterparts. We should not be punished simply because we had not been offered an acceptable contract by September 21, 1982.

We are also very concerned about the effect this bill would have on nursing care in North York. A nursing ghetto will be

created in our city caused by the disproportionately low remuneration we will receive if this legislation is passed in its present form. The Premier has stated that he is reluctant to place wage restraints on the private sector for fear that Ontario industry will lose skilled workers. The city of North York stands to lose valuable nursing staff if this legislation is passed. Is this not a concern?

There are approximately 100 public health nurses and 10 registered nurses in the North York health department, and we find ourselves in danger of being immobilized for the second time by government legislation--first by the federal government and now by the provincial government.

12 noon

Historically, public health nurses enjoyed a salary above that of hospital registered nurses, in recognition of their greater academic qualifications. This was lost when hospital registered nurses received a major increase in salary in 1974. Since this time we have been unable to gain even parity with them. This, in turn, means that a registered nurse in our health department with comparable academic qualifications to a nurse working in a hospital receives approximately \$5,500 less per year in salary.

In 1976, the nurses in North York received a 22 per cent partial catch-up offer, which was subsequently rolled back by the federal government's Anti-Inflation Board. We not only have never recovered, we are slipping further and further behind. Now in 1982, we are in danger of being punished once again, this time by the provincial government. In the middle of our difficult and extremely frustrating negotiations with our employer, we are having to contend with a third party, the provincial government and Bill 179.

Is this committee aware that the starting salary for a public health nurse in the city of North York is approximately \$8,000 below that of a public health nurse in the city of Toronto carrying out essentially the same duties? With the nine and five formula the restraint bill advocates, the discrepancy will increase due to the workings of the percentage principle.

In 1982, many North York employees received the benefits of upgrading, plus a 12.5 per cent increase in salary, improving their base for only one year of controls at five per cent. These proposed restraints will not only cause us to lose salary, but medical and dental benefits also, which other North York employees have enjoyed since January 1, 1981. A car is also mandatory for employment as a nurse in the city of North York. At present we receive \$65 a month plus 6.2 cents a kilometre monthly.

This is a ridiculous \$5 above the amount we received in 1965, and results in nurses in North York, on the average, subsidizing the city by over \$1,000 per year, which, in turn, reduces their total income by this amount. North York is already experiencing an increase in staff turnover, which is not only costly, but results in a reduction in the quality of patient care.

This will be compounded by implementation of Bill 179 should it pass as proposed.

Our contract expired on December 31, 1981, and our first negotiating meeting was held on February 9, 1982. Routine negotiation procedures were followed through to mediation, with a 12-week time lapse between the application for conciliation and the actual holding of the meeting. During this time we instigated meetings with the employer, the mayor and also the board of control in an attempt to resolve some of the many outstanding issues. We removed 26 of our proposals, most of which are currently in other Metropolitan Toronto public health nurses' contracts.

Due to our lack of success we voted 92 per cent in favour of strike on September 2, 1982. Then on September 21, 1982, Bill 179 was introduced to the Legislature, prohibiting us from striking and limiting the monetary offer to a total of nine per cent during our current bargaining year. This puts us in an impossible position, as with the offer of 12.5 per cent, plus a tentative increase of \$75 and 6.5 cents car allowance per month, we would have been in receipt of the lowest total remuneration among the Metropolitan Toronto health units. With the proposed nine per cent total offer we would be so far behind that the percentage required to catch up would be prohibitive.

We would recommend that you waive the nine per cent control year and allow negotiations that commenced prior to September 21, 1982, to continue to a fair and equitable settlement. The reasoning behind that is:

1. We feel a group of approximately 110 women is being discriminated against, first by their employer and then by the provincial government.

2. The application of Bill 179 in its present form will, because of the accident of timing, have the effect of imposing two years of wage controls on this group of women, while all other city of North York employees will have only one.

3. The 1982 contracts have already been budgeted for, and transfer payments made from the provincial government to the local municipalities.

The outcome would enable us to negotiate with our employer a contract that would be more competitive with the other Metropolitan Toronto public health departments, and would produce a more stable staff complement which would reduce cost and enhance patient care by cutting down on the transfer of nurses from one municipality to another for purely financial reasons.

Mr. Chairman: Questions? Mr. Sweeney.

Mr. Sweeney: Please, could you help me to understand the final paragraph on page 4 of your brief? When you refer to an offer of 12.5 per cent plus a tentative \$75 plus 6.5 cents per kilometre, do I understand that was the offer that was put on the table by North York?

Mrs. Hermann: That was the offer.

Mr. Sweeney: And you rejected it because it was so much lower than comparable units?

Mrs. Hermann: Yes.

Mr. Sweeney: You probably would recall that the group immediately before you had suggested, certainly not as the ideal but at the very least, that any offer that was on the table prior to September 21 should be upheld.

Mrs. Hermann: We feel it should.

Mr. Sweeney: At the very least, would you be prepared to accept that as well?

Mrs. Hermann: At the very least.

Mr. Sweeney: I understand your qualification, but you would be prepared to accept that. Thank you.

Mr. Chairman: Are there any questions? Thank you very much for your presentation. Might we have Local 39, the St. Catharines local of the Ontario Nurses' Association? Could your spokesperson identify herself and the others for Hansard, please?

Mrs. Wood: I am Florence Wood. To my left is Sylvia Walker. To my immediate right is Joan Russell. At the far end is Jan Remila.

Mr. Chairman: Thank you.

Mrs. Wood: The purpose of our brief is to appeal to this committee to amend the Inflation Restraint Act, whose proposed legislation has jeopardized our negotiations in a long and difficult strike. We, the public health nurses of Niagara Regional Area Health Unit, have been on strike since May 3, 1982, and were very close to a settlement when this bill was introduced. We wish to demonstrate to this committee that special circumstances do exist that should permit our exemption from the provisions of this legislation.

The public health nurses of Niagara Regional Area Health Unit were on legal strike five months before the proposed restraint legislation and one month following its introduction. Our collective agreement expired on February 15, 1982. Our original monetary demand was designed to catch up to other nursing salaries and was not an inflationary percentage.

The policy of our health unit requires that a nurse has additional education as a demonstration of self-motivation and expertise. She must have obtained additional experience before being hired. However, this health unit fails to compensate us for our expertise. In addition, a registered nurse must be employed seven years with this health unit before matching the minimum starting salary of a hospital nurse with a basic two-year

community college education.

The nurse who chooses public health nursing as a career automatically is placed in a unique financial situation. She must contend with lower salaries, reimbursing educational costs and an automobile purchase and operational expenses.

Due to the type and the extent of the driving demanded of a public health nurse, she must be prepared to buy a car on the average of every five years. That is to say, one year's salary every five years must be used towards the capital cost of a car. Up to the termination of our contract, we were not getting a basic car allowance and we still do not. We were getting 28 cents a mile.

At present we are the lowest-paid public sector registered nurses, not only in Ontario but in Canada. Our deflated income and the poor attitude of the board of health, as exemplified in the differential treatment of the two units within it, precipitated this strike.

12:10 p.m.

From the beginning of negotiations for our 1982 contract, the board has consistently used delaying tactics. All bargaining sessions have been initiated by the persistence of the nurses. As the end result of four mediation meetings, there has been an increase of only two per cent above the board's original offer.

Before we went on strike, we were offered 10 per cent for the first six months and three per cent for the last six months. Our male counterparts in this health unit, the inspectors, settled for 10 per cent plus four per cent and, prior to that, had received 22 per cent.

The board of health has consistently offered the nurses several percentage points less. This could no longer be accepted. This offer--the last offer by the board of health, which was a 12 plus three--was subsequently withdrawn as a direct result of the proposed restraint legislation.

We had decreased our original demand by six per cent. This is currently \$1,000 less than Hamilton-Wentworth nurses and \$2,500 less than the starting salary of a registered nurse in a hospital. That is what we were asking for.

We ask that you examine the following phrases. These will reaffirm our special status and subsequently justify our request for an exemption from this legislation.

Why should a nurse with more experience and expertise be paid less because she works in a community? It is rare to find women as a group who will vote to go on strike. It is rare to find a professional group of women who are nurses who will vote to strike. The working conditions of the Niagara Regional Area Health Unit nurses were intolerable, forcing them to take this drastic measure.

| Why should a health inspector with less formal education

receive greater wages and consideration? Why do all other employees of the Niagara Regional Area Health Unit enjoy 100 per cent paid benefits while their nurses do not? Why do the health inspectors have a six-year grid while the nurses have a seven-year grid?

Why were the Canadian Union of Public Employees' salaries compared to Hamilton-Wentworth salaries at their negotiations while we were denied the opportunity by the same board of health to compare our salaries?

Why does management staff at Niagara Regional Area Health Unit have salaries among the highest in Ontario while we are at the bottom?

How can Niagara Regional Area Board of Health justify a six-month lack of service to its community when its employees were out on strike out of necessity for catch-up and not out of greed? The nurses had no other option but to go on strike since we do not have arbitration, which is something we have been asking for year after year. As professionals, we accept responsibility and accountability. Therefore, how can we be satisfied with different treatment? Why have we, as public health nurses, consistently been denied arbitration by our board of health?

Since funding is principally controlled by the province--which is 75 per cent--could not the province have intervened to end this stalemate? We asked for government intervention at the commencement of this strike in order to get back to work as soon as possible. This was long before the proposed restraint legislation was introduced. Does this not in itself deem us an exceptional case? Therefore, why should we be subject to this bill?

It is our contention that the public interest would not be served by applying a nine per cent solution to Niagara Regional Area Health Unit nurses. Our staff turnover is 49 per cent over the last two years. The nurses move on to better-paid jobs. They just cannot afford to work for Niagara region. The dissatisfaction engendered by this prolonged strike and this new legislation could certainly cause many more nurses to resign. We have had eight nurses resign and we have 20 more of our nurses actively seeking work elsewhere. We have only 100 nurses.

This depletion of health resources will damage the preventive health care programs in the Niagara region irreparably. If this region were to hire a registered nurse with several years' experience, she would have to accept an enormous loss of approximately \$8,000 in salary if she left a hospital to work in the community and she would also have to buy a car.

Preventive health care is by nature low-profile and unspectacular. Despite this, public support of our position has been consistent and positive.

It is ironic that this board of health can condone 11 months of strike within a two-year period--the Canadian Union of Public Employees was out for five months and we have been out for

six--while the province revises and improves its preventive health legislation in Bill 138.

I have some personal examples of how these low salaries have affected our nurses.

A senior public health nurse, three years from retirement, who has dedicated her entire working life to public health nursing will have her pension greatly affected by her low salary due to the Inflation Restraint Act and the loss of six months' salary due to the strike. She will return to work and be paid at the lowest public health salary in Canada.

Another nurse who is a sole supporter with dependents is expected to raise her children on a salary barely above the poverty level. I think the poverty level is somewhere around \$15,000; we are at \$17,000. She lives in a low-rental apartment, barely able to afford a nursery school for her preschooler in order to remain in the work force and avoid becoming a welfare recipient.

A nurse with a serious illness has no long-term disability after 23 years of service with the health unit. We had a valuable nurse on our staff resign from this health unit. She had 20 years of experience, a diploma in nursing administration and a diploma in psychiatric nursing. She stated in her letter of resignation that, "Having spent months watching the demoralizing effect this strike has had on staff, many of whom have dedicated most of their working lives to public health, to be treated so callously by the board of health has left me with no other choice but to resign."

Historically, registered nurses with specialized training in public health were recognized monetarily for their specialized training and additional education. It is unacceptable to these same nurses to endure salaries less than their colleagues both in hospitals and in other public health units.

Upon entering this strike, we had a goal. That goal, out of necessity, was catch-up in salaries. We are the lowest-paid public health sector registered nurses in Ontario. With the introduction of legislation, our goal has seriously been threatened.

We approach this committee as one of the few public sector employees who are on legal strike, a five-month strike when this bill was introduced. We are asking for special consideration of our exceptional position. We are confident that our salary demands are not inflationary but are merited and necessary.

I would like to reiterate that when we went on strike our minimum starting salary for a registered nurse was \$17,100. We took a strike vote and it was with great reluctance that our nurses did go on strike, but they did take that position. After that, we have worked very hard to keep talking to our board of health. They have used every delaying tactic in the book.

Finally, as we neared some sort of a goal--it certainly was not what we wanted but we did get close; they were offering us 12 per cent plus three per cent and we had lowered our demands to 17;

that seems like a lot, except if you apply it to \$17,000 a year and you are looking at nurses with all this experience and university educations; they were essentially at 15 and we were at 17--this bill was introduced and that was the end of our negotiations.

We felt one more meeting with this board and we probably would have settled. As a matter of fact, it was on August 30 and we immediately applied for mediation again. We applied for mediation the first week of September and heard nothing. The bill came in and we were told: "Now, you are at nine. You might as well go back to work." On October 1, the chairman of the board of health said that if we did not go back to work by October 1 he would fire us. That gives you some idea of what we were dealing with. We have worked hard and long and, as we neared the end of our battle, this bill was introduced.

Because of the nature of our bargaining, the length of our strike, which has been six months long, and considering the extremely low starting salary of our nurses, we would like to propose the following amendment to Bill 179:

That contracts which expired between October 1, 1981, and October 1, 1982, and are at present unsettled be subject to nine per cent except for those public sector employees who were already on legal strike at the time of the introduction of this legislation. These employees should be exempted from the nine per cent control year and be allowed to continue negotiations from the last offer on the table prior to September 21, 1982, and if bargaining fails, to proceed to arbitration. These contracts would then come under the five per cent for 1983.

On May 3, 1982, we pinned on this button which says, "Public health nurses care." We have worn this button for six long months. Now we are asking that someone else care for public health nurses.

12:20 p.m.

Mr. Bradley: Mr. Chairman, I am glad Mr. Jones is here to hear this. What we have seen is probably the best case I know of in the province for exemption from the legislation. Having documented what they have gone through, and keeping in mind that all of us as representatives know we are hardly talking about people who are of a militant nature or want to go on strike, people who have subjected themselves to the chances of binding arbitration, I really hope the parliamentary assistant will take this message to his minister and that the deputy minister would listen with a little extra empathy in his mind to the plea of this group.

Let me ask one question if I may. Do you believe--and the legislation is going to have a detrimental affect on this--that the pay scale, generally speaking, for public health nurses in Ontario reflects the kind of emphasis the government up to this time has placed on preventive health care; that is, being somewhat below those on the curative end of things?

Mrs. Walker: I guess I could answer that, Mr. Bradley,

being a public health nurse for a number of years. We do not believe the pay scales that are in existence for public health across the province do emphasize the importance of the role of community health. Certainly, with the increase in spiralling costs in hospitals, there has been a shift, a greater demand for service in the community, but there has not been a shift of increase in dollars going out into the community. In fact, it is quite the contrary. It seems we are now under more controls.

I can give you one example. Our degree nurses with a Bachelor of Science in nursing, which is a four-year degree at university, start at about \$4,000 below what a hospital nurse makes. She has to work six years in order to begin to make the salary of a beginning graduate in hospital and that graduate has no experience and has come through a two-year community college course.

What is the incentive for that university graduate to come out and be employed in a public health agency? She is specially trained. She has already sacrificed many years in education by going on in university. She has grade 13 education and she is penalized because she chooses to follow her career choice in the community. Does that answer your question?

Mr. Bradley: It does, very well. The second question I have, and you will recall in the House the question has been asked by me and the member for Welland-Thorold, Mr. Swart, has asked questions on this as well, I asked a question of the Treasurer about the potential for exemption for your particular group. The answer I got, if members will recall, was, "When you go on strike, you take a chance and sometimes you win and sometimes you do not."

When your group finally took that step, and keep in mind we are talking about a couple of months after the contract expired, when you went on strike even with the rumours about a potential wage and price control bill, did you ever have any idea they would make that retroactive to as far back as your contract?

Mrs. Wood: No, we had no idea. I want to re-emphasize it was with great reluctance that these nurses did go on strike, but you can be pushed back only so far. With starting salaries of \$17,000 a year, we could hardly afford to buy a car, let alone rent an apartment. It has been a very difficult struggle but we felt, when you are the lowest, not only in Ontario but the lowest in Canada, it does not say much for your salary.

Mr. Bradley: There is one aspect of the bill which perhaps even some of the members on the government side within their caucus may have been critical of, or may not have been critical of--I am not privy to that information--and we could perhaps address that in a question. With the Inflation Restraint Board at the present time, in the legislation as I read it, there is no requirement for the board to justify the reasons for the decisions. Indeed, there is no appeal mechanism. Despite the fact you do not like the bill and that it sets you back, is it your view that an appeal mechanism is essential for people in the circumstances you are in?

Mrs. Wood: Absolutely. Whenever you have done everything possible to get back to the table to negotiate a contract, when you go on strike you know you are going to lose money for that period of time, but you do not expect to lose it for the next two years also.

Mr. Bradley: The final question or comment I would make is just to give an indication of the degree of support that transcends all sectors of population in the Niagara Peninsula for the public health nurses. Often in disputes we do not have that kind of support.

One individual who is noted for his open letters on one of the radio stations, a pretty conservative individual who certainly would not be called pro-labour union by any means and often takes shots at politicians and public servants, went out of his way--in his own very gruff voice--to make a plea for consideration of the kind that has been requested by the public health nurses of Niagara.

When you see people of that political bent making that kind of plea for these people in these circumstances, it is something to which the government should pay very great attention. I hope the parliamentary assistant, deputy minister, and ultimately the Treasurer will make the kind of amendments that would permit them to have a better contract than is going to be committed under this legislation.

Mr. Chairman: Thank you Mr. Bradley. Are there any other questions? Thank you very much for your presentation.

The next group is the fifth on the agenda, the United Auto Workers, Robert White. I also have a list of five persons who are probably appearing with Mr. White. Messrs. Nickerson, Hargrove, Gindin and Gill. Are there four or five people? There are five. One of the chairs on either end with a microphone might be used.

Mr. Watson: Do we have an agreement to deal with this and the motion?

Mr. Chairman: To deal with this and the motion?

Mr. Watson: Do we have agreement to hear this plus a motion?

Mr. Wildman: We agree to hear the delegation.

Mr. Watson: Do you agree? Let us get it straight. Can we have an agreement to hear this delegation and deal with the motion?

Mr. Mackenzie: Mr. Chairman, if Mr. Watson wants to cut off the UAW delegation, that is his privilege.

Mr. Chairman: All right, that is enough. For the edification of everybody, I passed around a piece of paper asking all three parties if they would agree to go past 12:30 p.m. to hear the UAW. I understand there are some time constraints with your negotiations. In that, I also said we would deal with a new

motion being circulated by Mr. Watson. The Liberals said yes. The NDP said yes to the one and no to the other. I took it over to the PCs and I do not know what their answer is. I have not received it.

Mr. Watson: I have to get an answer from the NDP whether or not they wish to hear a delegation plus a motion.

Mr. McClellan: You already have it.

Mr. Renwick: Why don't you put the motion on the floor?

Mr. McClellan: Mr. Chairman, let the delegation proceed.

Mr. Watson: Let it be seen that the NDP did not agree.

Mr. Chairman: Thank you, there is no such agreement on that. We are still in the jungle. Would you carry on, Mr. White, please.

Mr. White: This is a jungle?

Mr. Chairman: It can get worse.

Mr. White: Thank you, Mr. Chairman. I am happy to appear before the committee today to make some comments on Bill 179. We have given a written brief and I do not propose to read it. I will deal with some of the highlights. Let me just make some observations first of all.

12:30 p.m.

In terms of the problems we have in the auto industry, the agricultural implement industry and the aerospace industry, where most of our members work, we could have sat this hearing out, but we felt it was important to express our opinion. We think the bill should be scrapped. We think this bill attacks working people in this province, many of whom are low-paid female workers. We think the bill is based on political expediency and not on any economic grounds; we think that it violates collective agreements that the government, as an employer, has entered into in good faith, and that employees do not have the same right to violate agreements.

Finally, we think this bill does absolutely nothing about the problems of the Ontario economy. In our presentation we said we would focus on three main points: The assumption that working people have too much collective bargaining power and that government restrictions are necessary; the assumption that wage controls solved or helped to solve the economic problems we faced in the mid-1970s; and the assumption that economic restraint and its trickle-down theory of which wage controls are one element is the key to a secure economic future.

I want to suggest to the members of the committee from all political parties, the problems we face in this province have absolutely nothing to do with what I have heard so far while I have been sitting in on these discussions for the last hour and a half this morning. The real problems out in the Ontario economy are fundamental problems of unemployment, of people exhausting

unemployment insurance benefits, of municipal welfare rolls bursting at the seams, and not of workers having too much money chasing too few goods; in fact just the opposite. What does this bill do for that?

First, I want to suggest to you that I think this bill jumps on the popular bandwagon in today's society that says the people we should attack are working people, whether it be in Canada or across this province, and because we cannot find a fundamental solution to the economy we ought to make scapegoats out of certain people. Today, it is politically popular to be seen as attacking workers' wages. If the public opinion polls showed that the federal restraint program was not popular, we would not have got this piece of legislation in the Ontario House.

It does a fundamental disservice to the image of public sector workers in Ontario. The image that is portrayed is that these people are secure in their jobs, that they are overpaid and underworked. It attempts to divide in this province the problem of the private sector workers who feel very insecure in their jobs today. I saw in an earlier proceeding where one of the members of this committee questioned how Massey-Ferguson workers in Brantford, who have been laid off for many months, would feel about public sector workers continuing to get their increases as negotiated. I want to tell the person who asked that question that those are our members in Brantford and they have absolutely no problem with public sector workers, such as hospital nurses and janitors in hospitals, getting what they are entitled to under the collective agreement they have negotiated.

Private sector workers in Ontario who are insecure are insecure not because of high wages in the public sector, they are insecure because in this country as in some other countries around the world we have practised the tight money, high interest rate policy of the monetarist theory. If you look around the world where it has been practised you will see it has been shown to be an absolute disaster.

There is no question, if you hear the numbers this morning on inflation in the United States you would say that the tight money, high interest policy of the United States has solved inflation. I suggest to you that in this era of concern about deficits, if you look at US deficits, this policy has done nothing about solving the deficit. It has done a great deal to increase unemployment. We have argued both federally and provincially that we think that is the wrong way to go.

There is terrific social cost. I suggest to the members of this committee that the unemployment we face in this province today is going to have horrendous social costs in health care, in the breakup of homes and in the effects on kids. I can tell you from personal experience and from the people we talked to in the high unemployment areas, that the rolls of people who are going into alcoholic homes, etc. have increased dramatically.

That is the problem we are facing in this province and across this country. It is not the problem of public sector wages. We say to you, if you look at the history of wage controls in this

country, when we had wage controls in the mid-1970s, they did very little to solve the inflation problem or the basic economic problem of our country and did a great deal to increase unemployment.

I think it is an injustice to the public sector workers in this province. You listened to the nurses this morning as I had an opportunity to do. They entered into collective bargaining agreements, or were trying to get collective bargaining agreements with employers in good faith, and the government, with the stroke of a pen, decides to wipe out those collective agreements.

I suggest to you that every employee in this province who is covered by a collective agreement, if they ignore that agreement by groups, they will find themselves charged before the labour relations board for violation of the law and end up with fairly stiff penalties.

The reason we are here today is that as a major union in this province, we want to say we support the public sector workers in their attempt to have this bill set aside. We do not think that making mealy-mouthed amendments to the bill will in any way make it acceptable to the labour movement in this province, or make it operable in terms of collective bargaining. What it does seriously is focus attention on workers' wages and diverts attention from the real problems of our economy.

In Canada, today, almost 13 per cent of the population is unemployed. The news this morning is that we have paid out more in unemployment insurance in the first six months of 1982 than was paid out in all of 1981.

Surely people who are using this bill as an economic argument, if there is an economic argument, have to make the case that the problem with our economy is workers' wages and that this bill will fundamentally do something about turning this economy around. I think I have read most of what has been said about this bill by members of the Legislature, on the government side and the opposition, and I have not seen that anybody purporting to support this bill can make that economic argument.

This bill will do nothing to put unemployed steel workers back to work in Hamilton; it will do nothing to put unemployed ag imp workers back to work in Brantford; it will do nothing to put unemployed auto workers back to work in Oshawa, St. Catharines, Windsor or Chatham. It will do nothing, I would argue, to stimulate the economy of this province.

I want to say that in spite of the preoccupation with deficits, the only way the country can turn itself around in the kind of economic devastation we find ourselves in is to increase consumer purchasing demand.

This is one more indication that people have not read the history of what happened to the countries of the world before they went into the major economic depression. Workers were forced to undercut each other for jobs, purchasing power was taken out of the economy and the result was that more jobs were lost.

That is a problem we see facing the Ontario economy today. The bill on wage controls in the public sector, Bill 179, does absolutely nothing to solve the Ontario economy. It is an unfair attack on workers' wages in the public sector.

Those are my basic remarks.

12:40 p.m.

Mr. Mackenzie: I have one question, Mr. White, in an effort to underline one of the arguments you have made, that this bill in itself, by the government's own admission, takes somewhere between \$450 million and \$800 million out of the hands of the lower income people in this province in terms of purchasing power.

We get sidetracked, and the Premier himself, on at least three occasions in the House, two when I was there, has gone after us. He said: "Why don't you people talk to some of those auto workers or steel workers who are laid off? You will find that we are right and that you are not so far as this bill is concerned, and that they will accept this kind of control on public service workers." He has been very direct and basic in his comments in the House.

I would ask you to tell us, once again, if you believe that among private sector workers there is basic support for this kind of flung-out challenge we constantly get from the Premier when we argue against the bill.

Mr. White: In fairness, if you look at the public opinion polls you have to assume that there are some workers who have been polled on that. But I suggest to you that people who are supporting this kind of legislation assume it is going to do something about job creation and about the Ontario economy.

A worker in Massey-Ferguson in Brantford, who has been laid off since June 1982, may sit with his family around a table in the evening and say, "I think that is a good bill because I think it will do something about the Ontario economy." He has to understand that will do absolutely nothing about the Ontario economy. It will offer no assistance in terms of people getting back to work. The only reason that workers will want to control their wages is by somehow assuming that is going to create employment and guarantee them jobs. That is the whole argument about the private sector.

I notice there is a provision that if the federal government brings in private sector controls then this bill will sort of piggy-back it. The reason we do not have private sector controls in Ontario or Canada today is that employers do not want them and do not need them. The fact is that in collective bargaining the employers are on the attack, and the situation of the working people is to hang on desperately to what they have.

I am not taking a narrow partisan or political position on this, but I say to the people who are supporting this legislation, this will do absolutely nothing for job creation in the Ontario economy. It will do absolutely nothing to put purchasing power in

their hands. As Mr. Mackenzie made the point, it takes away purchasing power.

Most economists, today, are saying that the problem with our economy is that the people do not now have sufficient purchasing power to purchase the goods we make. If you follow what is happening in countries around the world and look at things like the international trading relationships, that is where the problems lie. They do not lie in terms of whether a hospital worker who was legislated back to work less than a year ago under the terms of a legislative collective agreement now does not even get the opportunity to get those few cents an hour which were legislated to him under that collective agreement. Surely that is not where we are at in 1982 in Ontario.

Mr. Wrye: Mr. White, I have two questions. You have alluded to the problem of unemployment and the need to get people off the welfare rolls, off the unemployment rolls and back to earning a good day's wages and that, ultimately, that is going to put the purchasing power we need back into the economy.

Can you give me any indication of the level of provincial initiative in terms of cost that you would like to see from this province over and above the federal government?

Mr. White: No, I cannot. I think we will be back before Mr. Davis and some cabinet ministers as part of the Ontario Federation of Labour presentation. I am not sure if the date is fixed for that yet, but we will present to Premier Davis and the members of his cabinet an alternative program. I did not expect that in coming before this committee we would have to get into the position of suggesting what the government should do. I say to you, however, we have suggested this direction is absolutely wrong. This will do absolutely nothing to stimulate the economy.

We have to stimulate the economy. We have an immediate problem which we have raised with the federal government, and that is, there are literally thousands of workers in this province who are going to exhaust their unemployment insurance benefits throughout the winter months. Those people will have no place to go but the welfare rolls.

We have demanded that the federal government extend the unemployment insurance benefits through the winter months, at least, for those people. I think those are some of the things which, if the federal government does not do them, the Ontario government should talk about putting some money into such a program immediately. Those are immediate problems that have to be solved. I have not yet heard an economic argument as to what this bill does in assisting the Ontario economy do that.

Mr. Wrye: If this bill were to pass, the previous speaker has indicated, and I think the Treasurer indicated last night, it would allow about \$840 million to be freed up. I am certainly not going to speak for the Treasurer, who was hinting pretty broadly last night that he wants to reduce his deficit with that, but would you not agree that if that money were to be poured, dollar for dollar, into short-term job creation, into

helping Unemployment Insurance Commission recipients who were about to become exhaustees, that might do something in the short term to get us over the crunch of this coming winter and perhaps into the spring?

Mr. White: If you spent \$840 million in a tangible way in Ontario, it would do something about that. The question is, why do hospital workers and nurses have to pay for that? That seems to me to be the fundamental question. What we are saying to people in many cases, people who are not highly paid workers, is that somehow they have to pay for that. I do not think that is a realistic approach to take. We are saying to people who have collective agreements that they have to give up money to pay for some stimulation of the economy that may result in some employment jobs and may not result in employment.

Mr. Wrye: I have one last question, Mr. Chairman. I would like you to comment, Mr. White, on the quote I have from the Minister of Energy (Mr. Welch), commenting on the 8.4 per cent increase in Ontario Hydro rates yesterday. He said: "It was a very responsible decision. I am delighted." One, are you delighted? Two, what will be the reaction of the workers to an 8.4 per cent increase in Hydro rates?

Mr. White: One, I am not delighted and, two, I am sure that workers, especially those who have had their wages limited to a five per cent increase, will not be delighted. But we never really believed there was any price restraint in the wage and price restraint bill. We saw it in 1976 and 1977. We expect it here. In this society, you do not take structured wage and price controls seriously. They usually come under the guise of wage and price controls, but the mechanism is very simple for wages. By a stroke of the pen the collective agreements are frozen, workers are denied collective bargaining, wages go for the per cent that is put in. Ontario Hydro makes the case that it reduced from 14 per cent to 8.5 per cent, I believe.

I was with the Prime Minister of this country in a meeting, initially, when the legislation was introduced federally. Somebody came in and tapped him on the shoulder and gave him a note that said, "We are happy to announce that Mr. de Grandpré of Bell Canada has now said that he will reduce the Bell Canada case before the federal government for increases." I believe they wanted 18 or 26 per cent and are now down to six and five. Everybody was gloating about that.

The question one would have to ask is why were they ever entitled to make the case for 18 or 26 per cent in the first place. Under this kind of legislation there is no question that wages are controlled, but there is a serious question as to control of prices. I think the Ontario Hydro rate example is a good example.

Mr. Wildman: Mr. White, last night one of the things the Treasurer emphasized that he was considering very carefully, and it has been alluded to by my colleague from Windsor, was that the moneys saved at the expense of public sector wage controls could very well be used, and perhaps should be used, for significant

reductions in the provincial deficit. What effects in the short term, or in the long term for that matter, do you think that kind of an approach by the provincial government would have in the need to stimulate the economy of Ontario?

Mr. White: Obviously, the provincial Treasurer is preoccupied with the question of the deficit. All I can say is that at the same time we take purchasing power out of the hands of consumers, who do not pay taxes on purchasing power. We follow in this country a high interest, tight monetary policy that creates unemployment and reduces purchasing power, and it means that those people who go on unemployment then start drawing money from the government-sponsored organizations, such as unemployment insurance and welfare, which then adds to the deficit.

12:50 p.m.

I dropped out of school when I was 15, but that seems to me pretty back-assed economics. This is the kind of economics that is practised in Great Britain and the United States. It may reduce inflation because you cannot help but reduce inflation if you throw enough people out of work. If you stop people from purchasing goods, it is going to reduce inflation.

But when you wake up the next morning and find that you have millions of people unemployed, that you now have in this country literally thousands of young people who are graduating from university and many more who have not got formal education who cannot find work, you have to ask yourself what the social cost is going to be to our province and to our nation. It seems to me that this is the basic question.

The unfortunate thing about this piece of legislation, I think, is that it takes people's attention off the real problems of the economy. It says, "Yes, if we can just somehow control public sector workers' wages, that will solve it." That is politically expedient for today, but come June or July 1983, when we still have increasing unemployment, I am not sure there will be such great public support for this kind of legislation.

Mr. Chairman: Thank you very much for your presentation. The clerk did ask me about the sixth witness, Organized Working Women, and I authorized him to tell them to come back at two o'clock. There is no hope that they will be heard at this point.

Mr. Watson: Mr. Chairman, may I make a motion, in order to clarify things that were done this morning? I understand we are in a bit of a technical difficulty because of an original motion. So I would like to move that a request be made to the House leaders to set a date on which, by agreement, Bill 179 will be reported back to the Legislature, which will allow the committee to order its business to allow for the apportionment of time for public hearings, procedural matters and clause-by-clause discussion.

Mr. Chairman: Comments?

Mr. Cooke: Mr. Chairman, I would like to draw your attention to the time.

The committee recessed at 12:55 p.m.

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STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

INFLATION RESTRAINT ACT

WEDNESDAY, OCTOBER 27, 1982

Afternoon sitting



STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

CHAIRMAN: Treleaven, R. L. (Oxford PC)
Brandt, A. S. (Sarnia PC)
Breaugh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Elston, M. J. (Huron-Bruce L)
Eves, E. L. (Parry Sound PC)
Mitchell, R. C. (Carleton PC)
Piché, R. L. (Cochrane North PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)
Watson, A. N. (Chatham-Kent PC)
Wrye, W. M. (Windsor-Sandwich L)

Substitutions:

Cooke, D. S. (Windsor-Riverside NDP) for Mr. Swart
Kolyn, A. (Lakeshore PC) for Mr. Brandt
Mackenzie, R. W. (Hamilton East NDP) for Mr. Breaugh
Sweeney, J. (Kitchener-Wilmot L) for Mr. Breithaupt
Wrye, W. M. (Windsor-Sandwich L) for Mr. Breithaupt

Also taking part:

Allen, R. (Hamilton West NDP)
Bradley, J. J. (St. Catharines L)
Bryden, M. H. (Beaches-Woodbine NDP)
Jones, T., Parliamentary Assistant to the Treasurer of Ontario and
Minister of Economics (Mississauga North PC)
McClellan, R. A. (Bellwoods NDP)

Clerk: Arnott, D.

From the Ministry of Treasury and Economics:

Bass, J. H., Solicitor, Office of Legal Services
Campbell, T., Deputy Treasurer and Deputy Minister
Davies, B. P., Assistant Deputy Minister, Office of Economic Policy
Sadlier-Brown, P., Senior Economic Adviser, Economic Policy Branch

Witnesses:

Farrow, W. C., Trustee, Ward 5

From the Communist Party of Canada:

MacLennan, J., Provincial Organizer of Ontario

From the Labour Council of Metropolitan Toronto:

Majesky, W., President

From the Ontario Liquor Boards Employees' Union:

Coones, J., First Vice-President

Dunford, P., Second Vice-President

Kerur, S., Research Officer

From the Ontario Public School Teachers' Federation:

Andrew, R., Secretary

Lennox, D., President

Mattice, B., Executive Assistant

McCaffrey, V., Assistant Secretary

From the Ontario Public Service Employees Union:

Lankin, F., Equal Opportunities Co-ordinator, Provincial Women's Committee

From the Ontario Secondary School Teachers' Federation:

Bethune, J., Executive Assistant

Buchanan, M., President

Buckthorp, R., Vice-President

Richardson, M., General Secretary

From Organized Working Women:

Linds, B., President

From the Service Employees International Union, Ontario Provincial

Joint Council No. 22:

Middleton, P., Union Representative, Local 220

Roscoe, E., President

Todkill, K., Research Associate

Whittaker, L., Union Representative, Local 220

From the Simcoe and District Labour Council:

Pierce, W. F., President

LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Wednesday, October 27, 1982

The committee resumed at 2:05 p.m.. in room 151.

INFLATION RESTRAINT ACT
(continued)

Resuming consideration of Bill 179, An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province.

Mr. Chairman: I see a quorum. I call the meeting to order. I count nine.

Mr. Mackenzie: You're sure, Mr. Chairman?

Mr. Chairman: Yes, I have my glasses on and I'm looking very hard. I haven't made any mistakes with the counts yet, not that I know of.

We were in the midst of a motion by Mr. Watson. Mr. Watson had put his motion and then, I believe, the clock was recognized by Mr. Cooke at that point at 12:55 p.m.

Mr. Watson: If I could speak to the motion, I thought we had an agreement this morning, or close to an agreement. I was proposing this in the spirit of trying to resolve a problem that is obviously exists.

In the spirit of compromise, I offer it as a way out that we might accomplish what different people on the committee and different parties want, in terms of hearing the delegations that have not been heard but want to be heard and of reporting the bill back to the House.

With all respect to you, Mr. Chairman, apparently you can't table a motion. I thought that was accomplished, but procedurally we have got ourselves into a problem. My motion is really the same motion I had made this morning, to accomplish the same thing.

Mr. Cooke: I will be very brief. This morning when we discussed very briefly Mr. Watson's amendment I made the point that this, in effect, would be closure by agreement. In other words, there is a built-in end to discussion on clause by clause which may not be the appropriate time. It may be, in fact, that it will take us longer to deal adequately with clause by clause, depending on how many amendments each of the oppositions parties and the government bring.

I cannot, and we cannot in this caucus, agree to closure, which is what this motion amounts to. We do think that the spirit of compromise on this committee could in clause by clause get it through without any undue delay, but we're not going to agree to this type of thing by motion.

Mr. Mackenzie: I simply want to make it clear that what we're dealing with from Mr. Watson is a brand new motion entirely. It has nothing to do with the gist of my motion, which was simply a request from the justice committee to the House leaders that an additional week be allowed for hearings so that all groups that have submitted briefs would have the opportunity to be heard.

There is no similarity at all to the two motions. I want it made clear that you are not dealing now with mine, which has been defeated, but with a brand new motion.

Mr. Chairman: I believe it is Mr. Watson's attempt, as closely as possible, to follow the motion he had this morning, whether it was an amendment or a motion.

Mr. Wrye: I think we're prepared to support this motion because it does say in the second line "which by agreement." I don't want to be unduly partisan, but I keep hearing from my friends behind me how they want to cooperate, but at 12:50 p.m. they noticed the clock. I don't want to go on long because I'm delaying the witnesses this afternoon. We could have dealt with this motion before lunch. The only time I hear cooperation is when they want to have it their way.

It seems to me what we're trying to get at is a few extra days of hearings and the government appears to have wanted to give a little ground here. At that point, in terms of clause by clause, we could--and we'll let the House leaders try to sort it out--attempt to be reasonable in the length of time we have clause by clause.

I say to the NDP I find it amazing that you're even worried about clause by clause since you only want to withdraw the bill. I can't imagine you have any amendments anyway. If you are going to have amendments maybe you'd better start indicating to the witnesses you are going to have those amendments.

Mr. Cooke: I know you haven't been around here long, but you don't understand what clause by clause is all about.

Mr. Chairman: Gentlemen, are there any further comments or discussion? There being no further discussion, all those in favour of Mr. Watson's motion please raise their hands. Nine.

All those opposed. Two.

Motion agreed to.

2:10 p.m.

Mr. Chairman: We also have a motion Mr. Cooke gave to me this morning at 10:40, stating he would be bringing it at two o'clock this afternoon. Are there copies?

Mr. Cooke: This motion does not need to be debated at the moment. If you want to do it now, fine, but we are 15 minutes into the afternoon. We could wait until tomorrow.

Mr. Chairman: I am ready to make a ruling on this at this time if you wish.

Mr. Cooke: Sure. Do you want me to move the motion?

Mr. Chairman: Yes, please.

Mr. Cooke moves that this committee request the provincial Treasurer (Mr. F. S. Miller) to provide the following information on the specific impact of Bill 179 on each of the contracts that it affects:

A summary listing the total number of unions and employees who fall in the following categories: more than two years of controls, two years of controls, one year of controls;

Those union locals and employees who will have collective agreements rolled back and those collective agreements that will be rolled back;

All studies of administered prices in Ontario used by the Treasury officials in preparing the government's price review program;

A list of all those corporations, agencies, organizations and bodies that will be affected by the administered prices section of Bill 179 and finally;

A list of all provincially administered prices.

Mr. Jones: Mr. Chairman, before any comments or your decision, I would simply point out to the member that those questions have been raised on the Order Paper in the House. I just share that with the members and others attending the committee. They're being worked on, incidentally.

Mr. Cooke: Mr. Chairman, just to respond to that, I think you and the committee should be aware that if we had received the information through the Order Paper questions, we would not be bringing them before this committee. The reason we are putting this motion before the committee is that as is usual with Order Paper questions we don't get the answers.

Mr. Jones: I can tell you they're being worked on.

Mr. Cooke: Being worked on? By the time we get the answers, this bill will be long passed by your majority with the Liberals' help.

Mr. Chairman: Thank you, gentlemen. I'm prepared to make two comments on this. First, I'm going to rule it out of order on the same basis as I have in the past. It is not dealing with public hearings. Again, under the mandatory instructions, we are here for these first two weeks to deal with public hearings. That means hearing from the public and not dealing with this.

Second, I presume that it's put forward at this time, rather than immediately before clause by clause, so as to have the Treasury get moving with gathering this information. Therefore, in the spirit of that, I will pass on a copy of this to the ministry with the request that it start gathering this information in anticipation of your bringing this motion again at some time which I would then rule in order.

Mr. Cooke: That is another ruling of yours that makes absolutely no sense and I challenge your ruling.

Mr. Chairman: Thank you. All those in favour of upholding the ruling of the Chair please raise your hands. Six.

All those opposed please raise your hands. Five.

The ruling of the chair is upheld.

Shall we carry on with the groups that were left over from this morning. The first is Organized Working Women, whose brief will be exhibit 48. Are you Barbara Linds?

Ms. Linds: Yes, I am. I'll be very brief. Most of the things I'll be saying have already been said. I'm sure you will be hearing them all again. Our reason for appearing here today is to show the government the strength of opposition to Bill 179.

Organized Working Women is a membership organization of trade union women, which includes members from industrial, service and public sector unions. We welcome this opportunity to appear before the justice committee of the Legislature charged to receive submissions regarding Bill 179, the Inflation Restraint Act.

At the outset we would like to make it clear that we have a concern for all working people and we struggle alongside our brothers in the trade union movement for justice for all workers. We will confine our remarks, however, today to dealing with the large majority of doubly disadvantaged workers--women workers--and the effects of the proposed bill on our sisters in the public sector.

Organized Working Women is in complete opposition to Bill 179 and we believe it should be withdrawn. The bill shows a total disregard for the freedom of workers to negotiate better wages and working conditions, a freedom fought for by the trade union movement for over a century. The vast majority of workers at the low end of the wage scale in the public sector are women. These are the people hardest hit by wage controls. Controls are a discriminatory measure which contribute to decaying living standards for women.

It is a well-known fact that women, on average, earn 63.3 per cent of what men earn. These are 1979 women's bureau, Ministry of Labour, statistics. One of the reasons for this disparity is that women are concentrated in low-paying job ghettos. Women have been struggling to gain increases which will bring them parity with the wages paid to men and have fought for large

across-the-board dollar increases rather than percentage increases. Percentage increases have the effect of widening the already wide gap between male and female wages. Bill 179 has legislated percentage increases. The legislation of five per cent increases will also be reflected, not only in wages, but in pension entitlement and any other benefits that are tied to wages.

The guarantee of \$750 for those earning less than \$15,000 per year, with the discretionary maximum of \$1,000 for those employees earning up to \$20,000 per year, is an insult to women. Also insulting is the provision of the bill which exempts any claims under the equal pay section of the Employment Standards Act. This provision is useless to women because the equal pay law itself is meaningless to the large number of women workers stuck in female job ghettos.

This government, which advertises its commitment to the principles of affirmative action, again shows that it only pays lipservice to the advancement of the position of working women. The number of women in unions has increased rapidly over the past few years. In part, this is because of the increased unionization in the service and public sectors. Women are unionizing to gain a collective voice in setting the terms and conditions of their work. Bill 179 provides no provision for the resolution of first agreements. This denies newly organized bargaining units and the large number of recently unionized women many of the benefits for which they joined unions.

The government is engaged in contract busting with respect to their own employees by disregarding the collective agreement it signed as employer. The Ontario Public Service Employees Union negotiated and settled salary negotiations with respect to the office services and clerical services categories of the Ontario public service. The union had attempted to redress some of the inequities in pay rates on behalf of women, who make up 79.5 per cent of the clerical services category and 95.6 per cent of the office services category.

This government, with its rollback of the negotiated increases for these categories, has cut approximately \$1,000 from the annual income of these workers. The action of disregarding a signed collective agreement would be seen as illegal in all circumstances. However, the government of Ontario gets away with this illegal act because of its dual role as legislator and boss.

Public sector unions have recently been in the forefront of the struggle for benefits which are beginning to redress the oppression of women. Such benefits as paid maternity leave will now be counted as part of the total five per cent allowable increase. Progress which has been made in these areas will be suspended. Progress even in nonmonetary items, such as the negotiation of collective agreement language in areas such as affirmative action programs, or prohibition of sexual harassment in the work place, will also be suspended. Nothing now compels the employer to negotiate, with the lifting of arbitration and the right to strike.

The controls program is not lowering interest rates; it is not lowering inflation; it is not lowering prices. The costs of food, rent and fuel are rising. We are paying increased premiums for the Ontario health insurance plan, a cost the government can control. Inflation is running at 11 per cent this year and is expected to be about eight per cent next year, according to the Financial Post. The government expects public sector workers to be happy with five per cent. Non-union workers cannot even expect the five per cent; there is no guarantee they will receive the maximum allowable under the bill.

The bill is not increasing productivity; it is not creating jobs. Cutting back on the wages of public sector workers reduces the amount of money people have to spend, which means there is less money circulating and fewer goods and services purchased.

What the government should be doing, instead of bullying an already vulnerable, disadvantaged group within society, is to create jobs. The government should recognize that women are discriminated against in this province and should immediately pass legislation guaranteeing equal pay for work of equal value. The government should immediately withdraw Bill 179 and replace it with a program which would benefit the working people of this province, a program which will lead to economic growth.

Organized Working Women is committed to fight this bill with all our power and with all the resources at our disposal. We believe this bill is an attack on the working people of this province and we stand alongside our brothers in the trade union movement in opposition to the bill.

I might also add that no matter how the bill is amended the character of the bill would remain the same. It is scapegoating public sector workers for the problems in the economy and we will oppose it no matter how it is amended.

2:20 p.m.

Mr. Chairman: Fine. Thank you very much. Are there questions? There appear to be none.

Mr. Farrow is next. Do you have a written brief?

Mr. Farrow: I do, and I apologize for not having put it in earlier. I am in a municipal election campaign and I just could not get it ready.

Mr. Chairman: That is fine. The clerk will distribute it. It will be exhibit 49.

Mr. Farrow: At the outset I want to state my general support for the intent of Bill 179. Rather than the wording, however, I would like to talk about concepts. I will deal with a couple of points that need attention. I have held an elective office for 40 of the last 50 years and currently serve as a school trustee in Etobicoke. Therefore I feel I have the experience and perspective to make a useful submission to the committee.

I might add that you are going to hear a different perspective than you heard this morning from Mr. Fredette. I was present when Professor Auld made his speech, and I want to assure you gentlemen that his speech does not represent the views of the trustees of the Ontario Public School Trustees' Association. I repeat that they do not represent our views. I should like to take the time to punch holes in his submission, but that is not what I am here for today.

Mr. Mackenzie: You people should have commissioned the brief from him.

Mr. Farrow: I am glad you mentioned that, because if you are going to commission something, the people who do the job would be very happy to tell you what you want to know. I think he just misjudged the situation and he did a poor job on it. So thank you for giving me that opportunity.

Mr. Mackenzie: He did not tell you what you wanted to know, in other words.

Mr. Farrow: That is right. He misjudged the situation.

First, I contend that something has to be done to curb the appetite of education for more and more money. Exhibit A shows the spending pattern in Metro over the last 20 years, and I hope you gentlemen will take a hard look at that exhibit. I must explain, first, that these figures are Metro-wide figures and are Metro-wide averages.

For example, in 1962--and this includes elementary and secondary--the cost per pupil averaged \$292. In 1982 it was \$4,000. If wages increase at the rate of 12 per cent per year, they will double in six years. In other words, I am saying that if no change is made in present trends, the gross budget in 1988 could be \$2.2 billion--I am talking about the whole Metro school system--and the cost per pupil \$8,000, with wages to match.

If we increase the debt to pay the bill, then the service charges would become unbearable. If we increase taxation to pay it, it adds to the cost of doing business and hence adds to inflation. Despite what you heard from the last brief, the result is that we price ourselves out of export markets and, worse still, we price ourselves out of our own domestic markets. That is why we are losing jobs. We are adding taxes to the business community, so we are putting them out of business and they have not got jobs.

I am submitting that the bill ought to find ways of reducing taxation. We are caught in a vicious cycle. As we spend more money in the public sector, we make it more difficult for the private sector to earn the wealth to support it. Then we look for someone else to blame. That is why I say that something has to be done to curb the appetite of education for more and more money. Not enough people inside the system accept that fact, as attested by briefs already presented to this committee and at the demonstration at Queen's Park.

I can tell you there are a few inside the system that do accept it, but by and large, there are not enough. On the other hand, polls show that the majority outside the system are ready for restraint. Let me assure you that Bill 179 will receive a positive response. As I talk to the citizens who are my supporters and put me into elective office, they are very unhappy with the tax load; they are very unhappy with the educational system as a whole, and part of it is the costs.

Before I go into this, I would like to draw to your attention the fact that the average teachers' salaries in 1962 were \$6,800 and \$8,400, and now they are \$33,000 and \$36,000. I would draw to your attention that that is only the first cost to the taxpayer. On top of that, the employer puts seven per cent, six and one, for the pension scheme, and--I am going to deal with this later--they have to buy more money to subsidize that pension scheme. They have the so-called fringe benefits which are not fringe any more. You could add to those figures at least 15 or 30 per cent, which is a cost to the taxpayer, for each body. That is only the first cost. In the second part of my brief I am going to get into that particular aspect.

I would like to suggest ways in which demands on the public purse could be lightened. I referred to retirement gratuities and indexed pensions. Present legislation allows school boards to pay up to 100 days, that is a half a year, accumulated sick leave as a retirement gratuity. It can be a complex matter, but it was thoroughly covered by the Globe and Mail on March 6, 1982. I attach that article as exhibit B. It is a very good exposition of the problem we are facing now and will face in the future in that area. I would commend it to your reading. I do not have time in my 15 minutes to cover it, but I leave it to you to look at. It is a very difficult question.

If the members of the committee will take time to read the article, then the magnitude of the problem will be understood. It is futile to say it is a matter for negotiation. Once something is granted by law, then it becomes the norm. On the other hand, no union will willingly give up a benefit once attained. Because it is no longer needed, and for the reasons stated in exhibit B, my submission is that Bill 179 should override other legislation and put a lower cap than 100 days in place, and I recommend that legislation be amended so that new employees do not qualify for a retirement gratuity.

In its announcement Ottawa said the six and five would apply to pensions for MPs, federal civil servants, old age security--that includes me--and family allowances. Bill 179 is silent in this area. In Ontario in the public sector many, including teachers, enjoy indexation capped at eight per cent. In other words, their pensions are indexed at the rate of inflation, with a cap of eight per cent. If the inflation rate remains at eight per cent or more, it means that these pensions will double every nine years. I know some people who have been retired long enough to have doubled their pensions.

That would be all right if the participants were paying the full cost, but they are not. The employee pays six per cent of salary to the pension fund and one per cent for the escalation fund. The province pays a matching amount and makes up the shortfall. The latest superannuation fund actuarial report shows that the province is currently paying \$120 million per year into the fund and will continue to do so until 1989. The status of the escalation fund is unclear. Some claim it is paying its own way. I do not believe that it is fully funded and it may require an infusion of public funds if changes are not made.

So that the committee may judge for itself, I am quoting a short paragraph from the actuarial report: "If the escalation benefits were provided by the superannuation fund and financed in the same manner as all other benefits of that fund, then the required contributions and the unfunded liability would be substantially higher than the results given in this report."

Some of the leaders in the profession understand their untenable position. I would refer you to exhibit C, Pension Notebook, written by Mr. Ron Poste, who was writing for the Ontario Public School Men Teachers' Federation News. Poste expounds the problem better than I could hope to do. I would like to quote two of his sentences. Remember, this is a person speaking from the teachers' viewpoint, not from that of the trustees or the public.

2:30 p.m.

"At the present time, the sponsor of the plan"--the Ontario government--"is responsible for the actuarial deficit and the extra cost will be met through increased transfers"--public money in other words. He asks the question, "How long will this continue?" This is one of their own people, not someone who was hired to do it.

To sum up, I have tried to show that something has to be done to curb the appetite of education for more money. I have tried to show that a time bomb is building in both retirement gratuities and indexed pensions, which no longer should be ignored. More important, I have tried to show that it is unfair to ask the people to sacrifice and at the same time ask them to contribute through taxation to a privileged group. I would like to underline that point.

What is happening today is that for some of these indexed pensions, retirement gratuities, the public are being asked to pay taxes, to pay extra money into those funds, and at the same time they are being asked to either pay higher taxes or to make sacrifices in their own income. I say it is certainly unfair. Someone mentioned earlier that this is the justice committee, so I point that out.

That sums up my submission. I commend the reading of Mr. Poste's summation of the position that the teachers are in in this area. I commend the article from the Globe and Mail, which really does an excellent job of outlining the problem with which we are faced as far as gratuities are concerned. You will note that the heading is "Taxpayers Face Huge Bill for Unused Sick Leave."

I am very happy to have this opportunity--it is almost as good as having a seat in the Legislature--to sit down and give one's views, and I appreciate it and thank you.

Mr. Chairman: Thank you, Mr. Farrow. Are there any questions?

Mr. Kolyn: I am not a member of the justice committee--

Mr. Cooke: That is why he could not remember your name.

Mr. Bradley: Tom Wells' fund-raising dinner.

Mr. Kolyn: Mr. Farrow, it is certainly very opportune for me to be here while you are here. As one of our leading senior citizens in Etobicoke-Lakeshore and being involved in politics as long as you have been, mostly in the board of education, we have always looked to some of your recommendations and some of your concerns with regard to education.

Certainly your brief on Bill 127 was much appreciated by some people, namely, me. I commend you for taking the time out from a busy schedule. You are at present in your own election campaign. I want to thank you for recognizing the seriousness of the situation Canada is in, and Ontario specifically. I would like to thank you for your brief and I will certainly study it further and very closely.

Mr. Wrye: I have one question, if I might.

Mr. Farrow, I gather you are suggesting that the Legislature roll back increases which your trustees' association has negotiated with the Ontario Secondary School Teachers' Federation and other teachers' groups. I do not have a position in terms of whether they should be negotiated or not because I was not there. But I would suggest to you that I am really at a loss to understand why you would come to us today and ask the Legislature, in a sense, to do the trustees' dirty work for them.

If the programs were too rich and too expensive, why were they negotiated in free collective bargaining?

Mr. Farrow: To what are you referring?

Mr. Wrye: The sick leave, the pension scheme.

Mr. Farrow: As I indicated in my brief, when something is permitted by law, the teachers then say, "Well, we're entitled to that." So the trustees are trying to negotiate out the retirement gratuity, but to do that is very difficult.

The basis of my request is this: The province put this problem into our lap; now we are asking it to help us get out of it. They have put it in our lap by putting that provision in the Education Act.

Mr. Wrye: I have been on both sides of a bargaining table and would you not agree with me that it is the right--and I say this as someone who has been on both sides--of the employee to present demands, to ask if he or she wishes for the sun, the moon and the stars, but that does not necessarily mean, and I always understood that as an employee, hat you will get that.

Mr. Farrow: I think the trustee boards are beginning to learn that the last thing they should do is to go to arbitration. This morning it was mentioned what Mr. Davis said in Halifax that the role that arbitration plays in the inflation cycle has to be examined. The arbitrators have tended in the education field--I do not know what happens in the rest--to give the rate of inflation plus something else, and that just does not work. All we are doing is ensuring that we are going to have more inflation and someone has to sacrifice somewhere down the line.

To get back to the issue at question, the province made that law; they have put the school boards into these positions. It happens over and over again that the province does something and then the school boards are left with it and we have to raise the money from the local taxpayers. What I am saying is that it seems logical to me--it may not seem logical to you--that when the Legislature is capping other things, it could consider that cap and reduce the cap.

Mr. Cooke: Out of everything that Mr. Farrow has said there may be one thing I could agree with. That is that when the province institutes programs perhaps--and I am a former trustee of the Windsor board--what trustees get most upset about is that the province puts the programs in and then expects the property tax to pick up the costs.

Maybe what you and other trustees should be advocating in a much more vocal way is progressive taxation and progressive funding of our educational system in Ontario.

Mr. Farrow: I do not agree with that at all.

Mr. Cooke: I did not think you would.

Mr. Farrow: I think that what is happening in Ontario is that the opposition is just ensuring that it is going to stay there forever by speeches like that.

Interjections.

Mr. Piché: I call that a good statement and right to the point.

Mr. Cooke: We know that he is in favour of regressive taxation.

Mr. Chairman: Thank you very much, Mr. Farrow.

The next group is from the Communist Party of Canada. This is exhibit 50. The clerk is bringing it around now. Mr. MacLennan. Is Mr. Massie here?

Mr. MacLennan: No, he is not here today.

Mr. Chairman: No? Would you carry on please?

Mr. MacLennan: I will not go into all the brief. I want to thank the committee for an opportunity to come here and be able to share our views with the committee. We, as Communists, are concerned about the economic crisis which has afflicted Ontario and Canada as a whole, but particularly the difference that we have with the fundamental direction of this legislation is a difference of the solution.

We want to say from the outset that legislation of this kind will not help working people in Ontario. It will not help create jobs. It will not help inflation. The situation we see in Ontario is that fundamentally this does not do anything to get at the cause of the economic crisis, particularly the role of the multinational corporations in this country, and in particular in Ontario, a branch-plant economy. Most decisions are made in the US in regard to the employment and we understand because of the situation a lot of work is being recalled to the USA. They are suffering from unemployment, if not more so than we are.

2:40 p.m.

The other aspect is that it is not a question of this legislation alone. The Ontario government with support of the Liberals, both at the federal level and at the Ontario level, has instituted a cutback in the social services, particularly health and education, and created great difficulties at the municipal level and other aspects creating problems for workers, particularly the hospital workers, with grants which are less than adequate to cover a fully-funded educational health system creating more problems. So this has to be seen in that light along with this legislation.

We are also concerned that this is control over the public sector, but it has long been known that Mr. Davis has advocated wage and price controls across both public and private sector. We see this as a possibility coming in through the back door or the start of a process against the working people of Ontario.

With regard to the price, we see Ontario Hydro has had an 8.4 per cent increase already advocated and we have not even seen the legislation been made law yet. So I think there is no pretence that there are any kind of controls of prices going on. We would be in favour of controls in prices. We would be in favour of controls on multinational corporations in this country. When you withdraw this legislation, if you withdraw it, and bring in some meaningful programs with regard to putting Ontario workers back to work, we would consider coming back here.

We are also concerned about the right to strike, a fundamental right which workers have fought for in this country for over 100 years and which has been taken away with a stroke of a pen. How can you have free collective bargaining if you do not

have that right? They may not use it but it is necessary. I think the hospital nurses showed that this morning when they put forward their presentation. I might say on this question that it is not just a question of exempting 100 nurses in the Niagara region. I can see Mr. Bradley's point of wanting to ensure maybe some future necessity with regard to the people of his riding but I think we have to look at this question.

There can be no two ways about this. You are either for it or you are against it. That is where people should state their views and not just pretend they are against some parts of it when it is a fundamental attack on people. I think you have to come up with your right positions on this.

I want to say on the question of policies of restraints and controls that they have never worked and they have never worked in this country, particularly in the 1970s, where all we saw was wage control. We never saw any prices controlled. They went up just about unabated.

We are advocating a whole number of questions here, some which are not in the realm of the province, but the province can have a great say. We have a big population in Ontario and the Ontario government can speak for a whole number of people in Ontario. The question is that we want to see policies of full employment and also immediate protection of laid-off workers, including extension of unemployment insurance. I think the provincial government can have a say. We know there is some rapport between Mr. Davis and Mr. Trudeau on a number of things.

We would like to see unemployment insurance at 90 per cent of the former wages of these people who were laid off. I think that most people understand that it takes a great deal to live in this society due to inflation, which working people have not had anything to do with the cause of and yet they are being asked to pay for it. We want to see that unemployment insurance be extended to first-time job seekers.

We want to see legislation to stop plant closings. I think some leadership could be shown by this government by taking over plants or by legislating the plants to keep workers there because of the social responsibilities by the employers who take everything out of the economy. One vivid example is Inco Metals Co., Ontario Division, and Falconbridge Nickel Mines Ltd. They have taken all kinds of profits out of the Sudbury basin and yet have done nothing for the economy of Sudbury. In fact, they have just created layoffs and thrown workers out without any concern to them or without any concern to the community.

We would like to see the return to full funding levels with regard to improving services at the municipal level. I think there was an interesting question regarding some fundamental difference in the funding of education from property tax. We would like to see the higher levels of bodies take over that responsibility. It should not be there on the property tax. It should be taken away and it should be given to through the province to the municipalities in unconditional grants, in that form, so they can decide how the money should be spent and get their priorities correct.

So there it is, Mr. Chairman. I want to thank you once again. I think we need a fundamental change in direction and I will entertain any questions on our brief. Thank you.

Mr. Bradley: Could you list all the countries where your party is in power that do not have wage and price controls?

Mr. MacLennan: Is that a question to do with Canada?

Mr. Bradley: It is a question. You espoused a philosophy and I just asked where your party is in power are there any countries where there are not wage and price controls?

Mr. MacLennan: I can tell you there are countries where they are in power where there is no unemployment. Do you want me to list them off?

Mr. Bradley: I will not explore how that happens.

Mr. MacLennan: Do you want me to list them off?

Mr. Bradley: No, I will forego the pleasure.

Mr. Kolyn: I was interested in your brief. You made mention of Sudbury. Sudbury has been a big concern to all of us here in the Legislature and part of the Sudbury nickel situation has been a lot of problems with the world market. It seems that the USSR has been dumping nickel on the market at excessively low prices so that was part of our production problem in Sudbury, sir.

Mr. MacLennan: On the question of dumping nickel, I would like to say that the Soviets--and I am not here to defend the Soviets; I think the Soviets can defend themselves pretty well--only came into the market in 1980 where they produced more than their own consumption. They got into agreements with the London metals base prices so they are tied into long-term contracts. I think that the Soviets would like to get out of those agreements where they are forced to sell at a low price.

The aspect also is that both Inco and Falconbridge refused to sell at the London's metals base prices where they could sell some nickel and maybe put some people in Sudbury back to work. That happens to be the fact of the question. If you check the London metals exchange on the question of the Soviets, they generally hold up their end of agreements, particularly in the grain shipments that they take from Canada and the USA.

There is obviously some misunderstanding with regard to that kind of question that they are dumping. I think the Soviets would love to get out of the question of dumping nickel. I think that also through the other aspect of Indonesia and Guatemala, the multinational corporations there, which include Inco, have subsidies from the governments there so they can sell at a lower price. That makes it more profitable for them to sell at their overseas operations, so they have no responsibility whatsoever to Sudbury.

I think that they should be taken over by this government along with the federal government, put the workers back to work and stockpile nickel-- it does not go bad--until the markets pick up again. That also happens to be our position. It may coincide with some other parties' positions, but that happens to be our position.

Mr. Piché: How many members do you represent today in the Communist Party of Canada or Ontario.

Mr. MacLennan: In Ontario? I am not at liberty to disclose how many we have. There are people who are in delicate positions you know, particularly in governments, and governments discriminate against them. We do not have a disclosed list of them.

2:50 p.m.

Mr. Piché: In a free country no one discriminates against anybody else.

Mr. MacLennan: You try telling that to black people.

Mr. Piché: You made a presentation to this committee. Does your party or your organization ever make a presentation like this, both in Ontario and Canada, to governments like the Russian or the Polish governments? Do you make this kind of presentation?

Mr. Cooke: They don't have too many committees.

Mr. MacLennan: Don't get carried away, Mr. Cooke. You're not going to get carried away unless you've been there.

Mr. Piché: We don't know.

Mr. MacLennan: We don't have any representation in the Soviet Union to people there, nor Poland.

Mr. Piché: You don't send presentations like this to Russia--

Mr. MacLennan: I would certainly get together with you afterwards. I'd like to know what you want in Ontario and I'm quite prepared to sit down with you, explain the roles of the Soviets and the Soviet Union, compare them to the role of the provincial government, where they bring in legislation regarding what's best for the country and where in Ontario they bring in legislation on what's best for the multinational corporations at the expense of the working people. I'm quite prepared to discuss that with you at any time.

Mr. Piché: No. I'm asking you these questions here because we all know the problems we have in this world with the Russian government and also the Polish government. I thought as a Communist Party member that you might, if you're so--

Mr. MacLennan: I'm more of an expert on this government. I've lived under capitalism all my life, unfortunately.

Mr. Piché: Not the others?

Mr. MacLennan: I'm more of an expert on living under the Tories since 1965. Some people are more unfortunate. They've lived all their lives under that. I'm an expert to that extent and I'm quite prepared to sit down with you and talk to you about socialism versus capitalism. No problem.

Mr. Wrye: I have just a comment that the gentleman may wish to make a comment on. Really, I would be remiss if I didn't say that I find it more than passing strange that you would include the second paragraph on page 2: "Not content with this totally regressive act of wage controls, the bill includes an end to the right to strike won over many years of bitter struggle. Free collective bargaining in any meaningful way will cease to exist, at least for the period of the legislation, and there is no guarantee it will be restored after that."

I find that passing strange, given the party you represent. I would hope you would send this brief to General Jaruzelski in Poland and to the workers at the Gdansk steel works who got fired simply because they tried to put on a small--

Mr. Cooke: That hasn't stopped you from supporting this legislation.

Mr. Wrye: All that aside, and Mr. Cooke is aware of the amendments, I just find your position on this matter absolutely incredible in view of--

Mr. Piché: The difference is we're here to hear briefs. There they could be shot right now for coming in front of the committee.

Mr. MacLennan: I'd like to comment on that. I'm really surprised. It's a bit of a contradiction, as Mr. Cooke has pointed out, the tremendous amount of spirit you guys have to fight to the last blood of Polish workers. It's tremendous and it's commendable, I suppose. You've got the rights of the Polish workers right in your sight there, but Canadian workers--that's what you do to them. And you're involved with it.

Mr. Kolyn: A quick supplementary: I do know what wages the workers make in Sudbury, but I'm a little lost to know what the Soviet workers make. Could you get me that information some time?

Mr. MacLennan: Do you want the averages?

Mr. Kolyn: I want the average--

Mr. MacLennan: Of mine workers? The ones with jobs or without jobs?

Mr. Kolyn: We're talking about nickel.

Mr. MacLennan: The ones with jobs or without jobs?

Mr. Kolyn: I just want to know what the Soviet miners make per hour mining nickel. I know what the Sudbury workers make. I want to know for my information what the Soviet workers make.

Mr. MacLennan: I'm quite prepared to supply you with an average of what the workers get. In a sense, I didn't expect to come here and talk about the Soviet Union. I expected to come here and talk about the Ontario legislation which is being rammed through by the Tories with the support of the Liberals.

Mr. Kolyn: You brought up the subject of Inco, sir, not I.

Mr. MacLennan: Okay, and the question is that there are a whole number of questions you can go into regarding what workers get in the Soviet Union. They have a perfect health system. They don't have any worries about people cutting back, giving money to that. They don't have trouble with hospital beds. They don't have trouble with doctors opting out of the health scheme. They don't have those kinds of problems.

That's one aspect of it. That's a part of life--I don't know what kind of money aspect you put on that kind of question. They have a housing as a right for three per cent of their wages. I think Canadian workers would like to have that, some shelter over their heads.

There is a whole number of aspects. I can get the averages per month, but I would certainly welcome this opportunity to compare them with Canadian workers. I think Canadian workers would like to have a right to a house or a right to shelter over their head.

Mr. Chairman: Thank you very much for your presentation, Mr. MacLennan.

Mr. MacLennan: Once again, thanks for fitting us in today.

Mr. Chairman: The next group is the Ontario Secondary School Teachers' Federation, exhibit 51.

Mr. Buchanan, would you introduce or identify each of the people with you, please?

Mr. Buchanan: Thank you, Mr. Chairman. The delegation here today is from the Ontario Secondary School Teachers' Federation. It's an organization representing some 34,000 high school teachers in our province. With me today is Mr. Bob Buckthorp, to my immediate right, vice-president; Mr. Morris Richardson, to my immediate left, our general secretary; and to my far right, Mr. Jim Bethune, executive assistant in charge of collective bargaining; and we also have a representative from our Ontario Secondary School Headmasters' Council, Mr. Ken Hills.

I will be presenting a brief overview of our position and I will be asking Mr. Buckthorp to deal with our concerns on interference with the collective bargaining process, the powers of the Inflation Restraint Board and the lack of due process. Mr. Richardson will speak to the federation's concerns on the destruction of our system of compensation and the removal of rights to previously negotiated changes in compensation calculations and teacher morale.

Mr. Bethune will deal with the questions of the inconsistencies between sections of the legislation and the long-term punitive effects of the bill. At the conclusion I would hope that I would have the right to make a few concluding remarks and our delegation would be happy to deal with any questions the members of the committee may have.

Our federation is concerned, first of all, with respect to Bill 179 that we fear that this is a continuation of a disturbing pattern on the part of the government of Ontario. For several years now the provincial government has been cutting back in terms of constant dollars with respect to its assistance to local government and school boards. In May the Treasurer (Mr. F. S. Miller) warned then that they should not expect increases in grants in excess of the rate of inflation. In August the minister responsible for municipal affairs warned local government representatives that any increases in grants might not even reach the rate of inflation.

In his May budget the Treasurer created severe economic stresses for school boards by imposing sales tax charges on many items purchased by them, therefore in effect reducing the amount of money that could be put into programs. Increases in OHIP premiums will have severe repercussions for many boards in the light of their collective agreements, entered into without notice of the Treasurer's intentions.

What's really involved is Reaganomics in Ontario, whereby a strong level of government passes on its responsibilities to a weaker level of government, one with fewer financial resources. When Ottawa practices its unilateral abrogation of commitments, the Ontario government is quick to criticize when its ox is gored. It then plays the Ottawa game with its own local governments and school boards. This is hypocrisy of the first order.

The government's Reaganomics are brutal because they place local government in a difficult and unfair position. The government's policy extends even beyond Reaganomics when it decides to deprive teachers and others in the public service of basic human rights such as those of free collective bargaining.

3 p.m.

Teachers were hit with this restriction of freedom in Bill 127, now working its way through the legislative process. We see it in all its worst authoritarian vestiges in Bill 179. The pattern is frightening. First, the screws are turned on funding for local government and then fundamental human and democratic rights are restricted through Bill 179. We can only ask whether they will ever be restored under this government. The Treasurer talks of a one-year program, but will in fact this be the limit of its duration? We already know that it covers for two years most bargaining units and up to three years for several others.

Only eight months ago the Premier (Mr. Davis) told labour that it would be unfair to single out the public sector for controls. Here we are in October with Bill 179, a bill that will effectively chain us to controls.

Times are difficult and they call for a dynamic leadership in our country. Instead of leadership, there is a vacuum at both the federal and Ontario levels. Instead of positive policies, we are treated to cosmetics. There is a failure on the part of our political leaders to assume responsibility and the political buck-passing game is a daily sport at both Queen's Park and in Ottawa.

It concerns our federation very much that in a democratic society public policy can be developed which proposes the abrogation of fundamental human rights such as free collective bargaining and the sanctity of solemn contractual agreements freely entered into. What is of almost equal concern is that such a public policy could be developed behind closed doors, probably by a nonaccountable, centralized, bureaucratic cadre and unleashed by the executive wing of government, the cabinet, without any meaningful public input or consultation of those most critically affected.

I wish we here today to be truly involved in a process of public participation with respect to this bill. Unfortunately, at this time the committee structure of the Ontario Legislature does not allow for this. Instead, we are here for an exchange of views and speaking for the record. This we will do on behalf of our federation and its injured members.

I point out to you that the parliamentary assistant to the Minister of Education, Mr. Gordon Dean, has referred to the committee process on one occasion as "a dog and pony show." He did not indicate who were the dogs and who were the ponies. We hope that the statement by Mr. Dean is not the official government position on the committee process.

This bill is a monstrosity and violates the spirit of the Charter of Rights. It is ill-conceived and represents cynical political leadership. This bill has nothing to do with job creation or an economic strategy for Ontario or control of inflation.

It has two purposes: one, to give the public the perception the government is doing something about our dreadful economic situation, for which it is in substantial part responsible; two, to provide the Treasurer with funds to cope with a large deficit. Premier Davis has told us perception counts in politics. We believe the people of Ontario deserve more than the politics of perceptions and cosmetics.

In short, the government has decided to undertake a policy of political expediency on the backs of the public sector employees of Ontario. Bill 179 is not worthy of a government which only months ago sang the praises of the Charter of Rights. It is not a suitable response to the crisis of confidence which has overtaken Ontario.

The Ontario Secondary School Teachers' Federation has a clear message for the government of Ontario: withdraw Bill 179. We seek the support of all members of the committee in this objective. My colleague, Mr. Buckthorp, will now outline for the committee our concerns with the process of negotiations and the lack of due process.

Mr. Buckthorp: Mr. Chairman, in the brief before you on page 2, the concerns are listed. I will be dealing with numbers 2, 3, 4 and 7 of those concerns.

First, on the interference with the 1981-82 collective bargaining, all of us were sitting in the Legislature on the day this bill was introduced and we heard much comment on a one-year wage-control program. We were stunned when we received the copies of the legislation to find that well over half of our members will be caught in a two-year control program and that one of our units, Oxford county, an area with which the chairman and myself are both very familiar, will be under a three-year control program. Oxford will come in next Monday to explain to you, from their own point of view, the difficulties this bill presents to them. It must be pointed out, however, that although the government may have temporarily put a lid on a boiling pot by including 1981-82 agreements in this bill, they have left the pot to boil over down the road.

There are no solutions to the problems in Oxford in this bill. It is a very temporary postponement of some of the situations there. There is unworkability and inequity in taking staffing and working conditions which were negotiated two years ago and trying to apply them, not only for last year, but for this year and next year, in an education system which changes year by year. There is unworkability and inequity in giving the management the ability to simply say no in terms of those changes and give the employees no recourse to any form of dispute resolution.

The OSSTF was more than amazed when we saw the way the Inflation Restraint Board was set up, with almost absolutely unlimited powers. We have been given vague assurances that the regulations which will come under this act will take care of some of the problems that we perceive in the operation of the IRB. Unfortunately, we have been given no reason, either in this act or in measures that have been introduced by this government in the last little while, that we have any reason to trust the government on this matter.

The IRB does not have to answer to anyone, does not have to hold hearings and does not have to give reasons for its decisions. Even the Anti-Inflation Act of 1975, which we by no means supported nor do we support, allowed some recourse and the reasons had to be stated for decisions. This board, I do not think, is equal to any other body in Canada in terms of its powers and its unanswerability to anyone. I should point out the last sentence on page 7 of our brief, which states it has been referred to as this government's version of the War Measures Act.

In terms of lack of due process--page 8 of our brief--the government in the bill gives no access to any form of dispute resolution other than the IRB, and then only on compensation items. It shows a marked lack of respect for the types of things that are covered in teachers' agreements. Very few other public sector agreements, or private sector for that matter, deal with the type of staffing and working condition situations which teacher agreements deal with.

In order to freeze them, in effect, for the term of this bill, you have frozen the ability of the education system to meet the needs of the children other than through simply increasing the work load of the employees in that system. You have given management the total ability to simply say no to any changes. Why would management make any changes if it is going to cost them more money when there is no dispute resolution and government has given management total power simply to say no? I do not know a management anywhere in Canada that would do that when they do not have to. You have completely destroyed the balance of power in negotiations and given it to the management side. This is not negotiation. To say that section 15 of the bill deals with that aspect is farcical.

On page 13, on the invitation to bad faith, section 14 of the bill indicates that even if the parties in good faith have arrived at an agreement, and both parties have made their tradeoffs in order to arrive at that agreement, and even if it is within the percentage guidelines that this bill allows, it can still go to the IRB.

The IRB still has the power to roll it back. It does not have to hold a hearing and it does not have to give reasons. We find this dictatorial to the extreme, and it is an invitation to bad faith bargaining. A school board, in order to appear generous to both its employees and to its taxpayers, could just say, "We are good employers," offer the full nine per cent, get all the tradeoffs it can for that nine per cent and then refer it to the IRB in the hopes of a rollback. There is nothing to prevent them from doing that and it's a pure invitation to them to do that. They've got both sides of the pie.

Section 15 of the bill, although it allows us to, presumably, negotiate on noncompensation items, indicates in no way that there is any power on the employees' side of the table to get negotiations on noncompensation items. Other than improving agreements procedure in a little clause or improving something that's not going to be of any monetary cost to a board, I see no reason why a board management would turn around and improve staffing in a collective agreement, even if the needs of their students required that. All they have to do is turn around and say, "No, we don't have to do this under the bill," and the teachers' work load is automatically increased. More students will be shoved into larger classrooms and the student, at the end of this, will suffer.

Teachers are the only group that have to negotiate on the basis of the quality of the product they put out and trying to maintain some area where they can achieve that quality. When the United Auto Workers negotiate, they don't worry about the quality of the Ford product or they don't negotiate the quality of the Ford that comes out at the other end. They don't negotiate the staff for that quality. We are placed in that position.

I suppose we could get a little paranoid about the government's pattern on this if we look at the fact that by not allowing us to change the working conditions over the next two or

three years, depending on how long this bill decides to run--we have no idea what the government is going to do two years down the road--that it inserted in a regulation 262 just this past year a little phrase on the powers of a board. The little phrase is that the duties of a teacher are to carry out a list of duties which they have there. Then a little phrase was added, "And any other duties assigned by the board."

We could really get paranoid about that situation when we come to a no-dispute resolution over issues in negotiations. If the teachers then say, "This is increasing my work load and I can't serve my students," the board can point to regulation 262 and assign a duty and say, "You will do this even though up to this point it's been considered a voluntary duty."

We have some real basic concerns about the legitimacy, the fairness of this bill and its effect on collective bargaining, not just whether or not we agree with your restraint program. I'm by no means indicating we agree with that because we don't believe it hits at the basic elements of the economy of this province.

Mr. Richardson: Mr. Chairman, if you wish to refer to the part of the brief that I'm going to deal with, it's on pages 9 to 12. I'm not going to follow any specific statements in there, but I would like to comment on the general areas.

It seems to me that there is a general perception that working in the public sector, in the teaching profession in particular, is all sunshine and light. I can assure you from where I sit and the kind of work I do that I am becoming increasingly concerned with the stress that has been put on the teachers in this province since 1972. If we think that wage restraints are new, the provincial government in 1972 did impose provincial ceilings on teachers and subsequent to that. Teachers, in their bargaining processes, in the equipment they use in the classrooms and all other aspects of their work, have been under stress relating to dollars available.

I think you've already heard from many groups that the kinds of compensation teachers have received over that period have not outdone the private sector and have not come even close to the inflation factor. This, to the teachers--and, I imagine, all other public sector people--is an imposition on them when they have probably been the leaders in trying to deal with the inflation and board problems relating to costs.

There's another factor I think this committee should be aware of. Mr. Buckthorp mentioned one bill or one regulation. There was another bill, Bill 82, which deals with special education. One of the things required under that bill is to meet the individual needs of students. There is a whole area of need for students with certain disabilities or differences.

There is another area that is very important to the economy of this province, and that is the teaching and the development of students who are going to go out in the technical world. We have worked under declining enrolment. We have had a surplus of teachers, but there is one area where we have had a shortage, and that is of technical teachers.

We are having great difficulty in this province right now to get technical teachers to come into teaching. Why? Because the kind of compensation they get in teaching does not compete with what they can make in the private sector. If any of you have had a plug fixed in your house, you know what an electrician charges.

That is another one of our difficulties. What this bill is going to do is further distort the skills that are available to teachers. The \$35,000 level which tends to be a magic figure--I am not sure where anybody got it from--is one that any tradesman is making out there if he is worth his salt at all. We need journeymen in the schools who can teach young people the various trades, but they will not come.

I would like to comment on those people who are in the profession and the relationship of some of those people to the \$35,000. If I can use technical teachers again as an example, they come into the profession with either journeymen papers or at least five years work and educational experience to qualify them, but they come in at the bottom end of the scale. Our scale is probably the longest apprenticeship in the world in that it probably takes a minimum of 10 years in most cases, longer in others, to go from minimum to maximum. We also have some other processes by which a teacher can improve salary as they improve their qualifications.

But a technical teacher will likely come in with a high school graduation diploma and it is expected that an equivalent to the university degree will be acquired, either with university courses or courses equivalent in the field. Normally, as you are well aware, a university program takes three years. That program is going to have to be taken outside of school hours in the summer. There is an extreme cost related to it, and at the end of it, subsection 12(5) is going to deny them any credit for that work in trying to improve themselves.

Mr. Chairman, I think subsection 12(5)--as far as the profession is concerned and as far as the students in this province--is going to be so detrimental that even at the end of two years, the attitude and the morale of teachers and the disparities between teachers teaching with the same qualifications is going to be such that it is going to be difficult to ever put the provincial system back on the roads.

In closing on this part, in our opinion for the sake of the system itself, for the education of the students, this bill must be withdrawn.

Mr. Bethune: Mr. Chairman, on page 14 there is a very brief paragraph, that is about all one can really find to write about the bill's section on prices. There is just nothing there for the people of Ontario on prices at all. If the committee is wondering about the comment at the end of the paragraph about laundry, I remind the committee of the section of the bill which puts laundry workers under controls. It pretty well guarantees that their wages cannot be passed through to the cost of hospital laundry. Hence that reference, in case somebody was a little bit concerned as to where I found it.

3:20 p.m.

It is the pass-through provisions that are outlined in the statement of the Treasurer which concern us. Government agencies that set prices for the marketplace are able to pass through directly their own price increases. This is not going to produce any increased efficiency on their part. They do not have to look at cost effectiveness. They do not have to look at their own operation. They are free to pass through costs, as many people in the private sector are not free at the present time, because people out in the private sector are very careful about how they are raising prices nowadays. Look at the number of sales, reductions and clearances. These are people who have really had to re-examine the cost effectiveness of their operation before they pass through their price increases. Government price-setting agencies are not going to be required to do this, and the opportunity for games, it seems to me, between the government as a purchaser and the government as a seller are almost infinite.

I have set forth very simply the problem for our teachers who are about to go on pension. To get into actual numbers takes about six pages of calculations to show how an actual pension, a real pension, is affected. I have made an assumption here of a \$100 difference, actually a \$143 difference, between one salary scale and another salary scale. The maximum pension a teacher can get in Ontario is 70 per cent of the best five years of his salary. They average the best five years of his salary.

If you take that figure and show a difference of \$143, that is how I get the \$100. The mortality tables at the present time predict that teachers will live 24 years after retirement. That gives a very simple amount, \$2,400. That is not a lot of money. But if you make the actual calculations, and if the members of the committee are interested in seeing the actual calculations, I have come up with figures of as much as \$11,000 and \$12,000 over the post-pension period, or the post-work period through the pension period to death, \$11,000 or \$12,000 of pensionable earnings which the teacher is denied.

We find this really sort of the last blow, particularly if you look at page 17 and see where our people have been ending up as a result of inflation, as a result of collective bargaining. At the bottom of page 17, using the provincial category for maximum, that is, our highest qualified, most experienced teacher, you will see he has a shortfall against the consumer price index of 16.36.

Our principals, who are essential to the leadership of our schools, have a shortfall of 19.91. If you look down the righthand side of the two categories in that table, you will see that there is only one year between 1977 and 1982 in which those increases are in any way equal to or more than the consumer price index, and that is only for the category 4 teacher in 1982. The principal consistently has fallen behind.

On page 18 we have gone out to a somewhat broader perspective to try to show you how we have fared against other

comparisons such as average weekly wages, union base rates, middle management and senior management. Our principals would probably be somewhere in the upper level of the middle management range and our teachers at the lower level of that range. We have not come anywhere near the kinds of increases that those people have received. In a fit of optimism that only teachers can enjoy, because they believe that you can improve the human race, we are asking you to allow us to continue to collectively bargain and get this kind of result. That is better. We would rather do it that way than do it your way.

Mr. Buchanan: Thank you, Mr. Bethune. Just to complete our presentation to the committee, it is quite obvious that our federation is totally opposed to Bill 179 and the premises it is expounding. We are opposed to any form of controls because we believe that wage control measures are the complete antithesis to full and free collective bargaining. We also believe that wage control measures are discriminatory because they impinge more heavily on wage and salary earners than on fee setters, business people and investors. In recent years wage increases have lagged behind price increases and therefore are not the major cause of inflation. Mr. Bethune has elaborated on that point.

It is also economically unjustified because according to statistics published by Labour Canada, based on all agreements in effect covering 500 or more employees, wage settlements in the public and private sectors have lagged behind price increases as measured by the consumer price index for several years. That has been verified by a study, commissioned by the Ontario School Trustees Council, by Professor Auld, who has also proven that point.

Also, wage controls discriminate especially against women workers who make up the vast majority of those at the lower end of the salary scale. There is absolutely no evidence to indicate that the public sector is responsible for inflation, nor that free collective bargaining has had negative effects on the economy. Record unemployment, high interest rates and mortgage rates are having a destructive impact on the personal incentive, personal outlook and wellbeing of the citizens of Ontario, not public sector salaries.

The Ontario Secondary School Teachers' Federation believes that the economy exists to serve the people, and not the reverse. Full employment of our people and utilization of our resources must take precedence over the so-called fight against inflation. In the final analysis people are more important than price tags and economic policy must reflect that priority.

If there are questions, we will be pleased to answer them.

Mr. Wrye: Perhaps I could get some information. You have in the table you produced for us, on page 17, the CPI average category 4 maximum, average principle's maximum, and that is for August 1982. Do most of your agreements take effect on September 1?

Mr. Buchanan: All of them.

Mr. Wrye: If I was a category 4 maximum teacher earning the average present salary, I would not be at \$36,500, I would now be higher than that. Is that correct?

Mr. Bethune: If you had a negotiated collective agreement that was in force and effect, yes. If you did not, you would be paid on the last year's scale until the agreement has been completed.

Mr. Wrye: In terms of the OSSTF, and I am not sure if the public school teachers have the same category system, in another of your appendices, appendix A, you have the philosophy of the four groups. I gather that is the four categories. Can you give me any idea of what percentage of teachers are in each of the four categories.

Mr. Buchanan: I will make make a general statement and I will ask the general secretary to add to add to it. We would find, due to the declining enrolment and the nature of the demand for teachers, the majority of our members tend to be in group 3 and group 4, which are the two highest categories. Many of our members are highly qualified, especially in the academic subjects, and those who do enter from the technical areas. I will ask Morris to give more specific information on the particular point that you have raised.

Mr. Bethune: I have not got the specific figures with me, but I believe that there is close to 50 per cent in category four at this time. The other portion of the membership would be spread among the other three categories. That is strictly because of the declining enrolment and the stability of the teachers.

3:30 p.m.

Mr. Wrye: I gather that because of the declining enrolment and the fact that a lot of new teachers have not really entered the system in the last five to 10 years that a large percentage in any of the categories would be at the top of your list.

Mr. Bethune: About 60 per cent.

Mr. Wrye: You are aware and have spoken of the merit increase provisions, the cap being at \$35,000. What percentage of your membership are going to get caught in that provision?

Mr. Buchanan: That is hard to say because it also applies to qualifications and other aspects, but for category changes there will be some.

Mr. Wrye: Do you have any idea of how many would actually get caught in the step scale or in moving from one category to another because of additional courses?

Mr. Buchanan: First of all, I said that 60 per cent were at maximum, so obviously the other 40 per cent are going to be affected. Mr. Bethune would like to add to this.

Mr. Bethune: The only way I could calculate it was to take the teacher distribution as published by the Education Relations Commission, take what I thought was a fairly normal grid and apply it, and then figure out the numbers from there. It is a very rough figure. If you take the \$35,000 plateau on a grid from Frontenac county, for example, which is a 12-year agreement, that will affect 10,000 teachers out of 35,000 across the four categories.

Mr. Buchanan: We are not suggesting in any way how to fix this thing. We think that clause is absolutely nonsense, along with the whole bill. Please do not interpret from our answers....

Mr. Wrye: I understand your point and I will not ask you what happens if and when the bill is not withdrawn.

Mr. Mackenzie: I am wondering if you see any further dangers to the education system in terms of pass-throughs that are allowed in costs, whether they are hydro costs or various supplies, as against the kinds of restrictions that are on the teachers?

Mr. Bethune: This Legislature has already heard from us on our concern over the impact of the increase in the sales tax on the supplies that school boards have got to buy, on the increase of the sales tax on the meals that the kids have got to buy in the cafeterias. Those pass-throughs are going to continue under this act and any increases will go right through, as far as I can read the legislation, unless there are going to be regulations to stop it.

The other fact is that at this time we do not know what is in the mind of the government in regard to school board grants. If these do not reflect some kind of relationship to price increases, even the consumer price index, the school boards are going to be in even further trouble and that is going to reflect against all the services the school boards can provide. They are going to have to find the money somewhere. They are going to take it out of program, as they always do, and that means teachers not employed or needed. Program is the one that always gets cut.

Mr. Mackenzie: We had a bit of a hassle in the house just this week with the Minister of Consumer and Commercial Relations (Mr. Elgie) over the increases in gasoline prices. He attempted to put us down by telling us that we should realize that these were increases negotiated prior to this legislation coming in. Inasmuch as there were also contracts negotiated prior to this legislation hitting the house, which are being totally negated, do you find as I do an interesting double standard in that answer.

Mr. Bethune: If you can stop at double. I am sure the government will adjust the grants to make sure that the commitments of the school boards can be met. I have great experience in that.

Mr. Watson: Could take me briefly through the process by which you prepared this brief, in other words, the representation that you have had?

Mr. Buchanan: This brief is not hatched out of the imagination of the people sitting before this group. It is a brief that has been developed by our provincial executive, it has been vetted by our staff and members of our executive. It was passed by resolution to approve it, based upon the constitution and policies of our organization that gives the responsibility of the provincial executive to speak on behalf of the membership.

Many of the points raised in this brief are part of the policies that have been adopted by our annual assembly concerning wage controls and other aspects--provincial council motions and various other support statements by our membership throughout the province. The secretary would like to add to that.

Mr. Bethune: That is a question you might ask in relation to Bill 179. I should tell you our organization is structured provincially and we have some 56 districts across the province. We felt it important that we bring all of the representative groups from from across the province in to study Bill 179, which we did. On the basis of that, and along with our provincial council which meets monthly, with input from them we developed the concerns related in this brief.

Mr. Watson: I could assume that the support you have for this is similar to the support you have designated to a certain political party regarding by-elections in this province.

Mr. Buchanan: By the policy of our federation. That is correct.

Mr. Cooke: How legitimate do you think the concern is by a number of people and are your members concerned about the post-control period? In view of the comments that were made early this week or late last week by Mr. Biddell, who said that perhaps our society should be looking at controls forever, I would like to hear your comments on Mr. Biddell?

As you know there are already some politicians, namely, the Leader of the Opposition (Mr. Peterson), who said very clearly that the time being taken by this committee should concentrate on the post-control period and how we can make sure workers are not allowed to catch up in the post control period.

Mr. Buchanan: I will lead off on that and I am that some of my colleagues will like to add to it. The comments of Mr. Biddell are indeed distressing and it has led to a further development of bitterness and cynicism by our members throughout the province.

When I hear of a gentleman who has not yet been appointed legally to a so-called restraint board--I could give it stronger words, like concentration camp board, because that is exactly what this thing is going to be--making comments expounding, I presume, the government's line, on where we should be going in this particular area, I find it distressing that there has been no retraction by the government or any official of the government, to the best of my knowledge, to ask Mr. Biddell to keep his comments to himself at this particular time.

It is lending increasing bitterness and cynicism to one of the vestiges of a democratic society, which is our legislative process. Obviously that distrust is undermining that support for the democratic process. It really does speak clearly as to where this government is going in light of public sector employees. It is terrifying to think that there are parties represented in this room that would like to see the control period expanded, that would like to see the control period specifically developed to ensure that there is no catch-up or any other provisions at the end of the control period. It is a very vindictive direction that has been taken by government.

I suppose it is because they have looked at so-called opinion polls. Maybe they have looked at the number of collective agreements that are coming up across the province and throughout Canada, and 70 per cent of all collective agreements coming up are in the public sector. Perhaps they feel that we are the scapegoats, that we are the ones that should be the victims of their own mismanagement of the economy both at the federal and provincial level.

It is interesting when we heard the serial the other day from our Prime Minister, which has been echoed by other members of political parties. We have to do something. We have to solve it. People forget that both the Premier (Mr. Davis) and the Prime Minister have been in power during those years when the economy has floundered. Now we, the public sector employees, the teachers, are made to feel guilty for the economic morass. The real blame is in this building and in Ottawa, and not the school teachers, the civil servants and the public sector employees in this province. My colleagues, I am sure, would like to add to that.

Mr. Buckthorp: Just very briefly, to answer your question, which was how real is the concern and distrust, it is extremely real. We have some fears as to what that will boil into in two years' time.

Mr. Chairman: Mr. Kolyn.

Mr. Kolyn: My answer has been questioned by the previous speaker. Thank you.

(Laughter].

Mr. Mackenzie: As a further question, in terms of the respectability of your brief, which was questioned by Mr. Watson, I am wondering if one of the things, apart from consulting with your organization, that you did was to check the public opinion polls before you drafted your brief?

Mr. Buchanan: I think that our process was far more democratic than how the government came to this legislation.

Mr. Bradley: I would just like to say that I would have had some questions today, but I want to ensure that Mr. Buchanan has time to canvass in York South, so I forego my questions.

Mr. Buchanan: Just as we leave, we thank you. We did not come to praise this legislation; we hope that we have come to bury it and we hope that the committee will do likewise.

Mr. Chairman: Thank you for your presentation. The next group is the Ontario Public School Teachers' Federation. That is exhibit 52, and there well may be another addendum to it. Yes, there is. Please designate it as number 53. You are Mr. Lennox?

Mr. Lennox: Yes, I am.

Mr. Chairman: Could you could identify the other people with you, please?

3:40 p.m.

Mr. Lennox: I am David Lennox, president of the Ontario Public School Teachers' Federation, representing 15,000 elementary teachers in the province. On my left is Mr. Ross Andrew, secretary of the OPSTF. On my immediate right is Mr. Burleigh Mattice, a staff officer with our organization in the area of teacher welfare, and on my far right is Miss Vivian McCaffrey, assistant secretary with our federation.

As noted, there is an appendix A to our brief that is in reference to page 9 of the brief. I will deal with that in a few minutes. When I get to another part of the brief, we do have a comparative staffing formula that I would like to make sure is presented. I will give it to the clerk so it will be handy for the committee members when I dwell on that point. I will present our oral presentation to the committee and then we will attempt to address any questions the committee has, either by myself or one of the other members representing our organization.

The teachers of the OPSTF welcomes the opportunity to make a presentation to the justice committee on public sector wage controls. We urge the withdrawal of the bill. As stated in the introduction of our brief, the bill will do the following:

It attacks the rights of employees to bargain collectively with employers. The bill creates gross inequities among the working people of the province. The bill is founded on erroneous assumptions about salaries and job security in the public sector. The bill grants extraordinary and arbitrary powers to the administrative body. The bill represents a desperate attempt by the government to respond to the economic problems in Ontario.

In introducing this bill, the government is responding to opinion polls in a knee-jerk reaction. The bill does not address our economic problems. It is simply window-dressing, giving the public the impression that some action is being taken. The legislation is a case of provincial control and public blame. When the government does not have the answer, it takes a position and then spreads the blame around, this time to the public sector.

Gentlemen, in the words of an old adage, you cannot fool all of the people all of the time. This is a classic case of what the government is attempting to do. Yes, the public will grab at any

ring that can even be perceived today as a route out of our extreme economic difficulties. The politicians have fallen into the same trap. Let us be quite truthful about the bill. It is not the answer to our economic problems; it is not even part of the answer to our economic problems. It is a neon flashing sign over an empty parking lot. There is nothing there.

We do not intend to read our brief to you, but I will point out specific areas of concern that reinforce my initial comment that the bill should be withdrawn. I have sectioned these into six comments.

The first is the removal of employees rights. The bill revokes the right to free collective bargaining and suspends the recourse to impasse resolution. The result is that there will be no meaningful negotiations in any part of any collective agreement in the education sector for the next year, or two years in some cases. Section 15 specifically uses the words "by mutual consent," but there is no compulsion to negotiate. Employee rights have been seriously undermined. The failure to provide legal recourse and the compulsion to negotiate definitely places the power in the hands of the employer.

Secondly, the bill creates a series of inequities among Ontario workers. It divides our labour force into two distinct components, making the public sector the economic scapegoat. It divides unionized and non-unionized employees, allowing for the unionized employees a flat percentage increase and for non-unionized employees an up to five per cent ceiling. Another inequity that it creates is that it establishes different periods for controls, from one to three years in several instances throughout the province. Last, but not least, it is a poor attempt to provide social justice for lower-paid employees.

The third item I will draw to your attention is with specific regard to the teaching sector. The bill establishes significant discrepancies as to how teachers will be treated by the legislation. I have already commented that some of our teacher groups will have two periods of controls and others will have one control year. Some of our groups will receive rollbacks from contracts that had been negotiated in good faith. How do we address that concern to our teachers in Espanola, Frontenac, Kenora, Stormont, Dundas and Glengarry, who had negotiated multi-year agreements with their boards in good faith and will now have those contracts rolled back.

This bill will interfere with the historical relationship that has existed both from one board to another and to those teachers employed within a board. If the elementary have settled and the secondary have not settled, they are using different rules within one board, let alone neighbouring boards, which will have different historical relationships coming out of these controls. Fundamentally, this bill violates a long-standing principle of equal pay for equal experience and qualifications.

3:50 p.m.

Fourthly, the selection of public sector wage controls as a weapon to combat the economic crisis is based on two erroneous assumptions: first, that public sector wages are the culprit causing inflation and, second, that public sector employees enjoy inordinate job security. A previous speaker today stated that Dr. Auld's position was not the position of the Ontario trustees. He is right. What he did not state was that Dr. Auld's research is factual.

I would not expect the trustees to accept that position or to be able to support that position. They commissioned that report and they got a factual report, but they did not like what they heard. Dr. Auld's report is before you as fact. It clearly indicates that the public sector wages have not led in setting the pace for inflation. In fact, he writes that the private sector wages have exceeded those in the public sector in every quarter, save one, since 1978.

Public sector wages have not been a contributing factor in causing inflation. On page 9, with regard to the elementary average wage increase between 1975-76 and 1981-82, we state that the increase is 61.2 per cent. The cost of living went up 71.3 per cent, and that is documented on appendix A which was handed out today to you.

Controlling public sector wages will do little if anything to resolve the economic difficulties. In response to the second erroneous assumption, the myth that educators are insulated from economic problems by job security, I provide to you the following data. You have before you a comparative staffing for the elementary school boards in Ontario from 1975-76 to 1981-82. This is job security?

Atikokan has decreased its staffing by 34.9 per cent. Read down to Etobicoke and you recognize a 32.7 per cent decline. Follow down to Kirkland Lake and you can recognize a 34.4 decline in teachers. On the second page, I can point out Manitoulin, Michipicoten, North York, Prince Edward, Toronto, and last but not least, York borough.

I have pointed out those boards to you because we recognize that this is over a span of six years. The attrition rate in teaching is generally at a 2 per cent rate. Therefore, over six years you should be seeing a 12 per cent reduction in the number that could be accommodated by declining enrolment. When you see numbers like 34 per cent, you recognize that job security and job insecurity are certainly prevalent in the teaching profession.

I would like to comment on job security just for one more moment. There are certainly a significant number of teachers in this province who, when they commence teaching in September, are given a one-year contract or a letter from the board stating, "You are here for one year. We do not know if we will require your services a year later." That certainly does not lead to job security. We have teachers across this province who have lived with that letter for the last several years, possibly renewed every year, possibly not. Job insecurity in education is a reality and an ever-present concern to our profession.

My fifth concern is with the extraordinary powers of the Inflation Restraint Board. On the one hand, the government removes fundamental rights and then, on the other hand, it grants sweeping powers to the Inflation Restraint Board. The specifics of our concerns in this area are found on pages 12 and 13 of our brief. I will not read those to you.

Basically, I am concerned that rights of due process and rules of law are suspended so that, as one government official admits, the procedures lead to the expeditious application of the bill. This type of statement violates every This type of statement violates every principle embodied in our democratic process. When expeditious application takes precedent over right, then the government is abusing the power entrusted to it.

I would be remiss if I did not mention section 19, a section that has an ominous foreboding for the public sector. Section 19 may, if you interpret it literally, restrict permanently the scope of bargaining during the post-control period. I use the word "permanently" because you must read the words very literally in there. It says, "entered into or established at any time." Those are far-reaching words.

I picked up a comment when Mr. Buchanan, the president of the Ontario Secondary School Teachers' Federation was answering, and I recognized the fact that the word "permanently" was the key word when Jack Biddell, the chairman-designate, was interviewed on CKMW Radio in Brampton. At that time, the chairman-designate indicated that Canadians may be headed for permanent wage and price controls. He rationalized the need for this by saying that workers continue to ask for pay increases every year even though their jobs remain the same. If this is what Mr. Biddell is saying, even before his board has been established, then I think we have good cause to worry about the future.

As well, this sort of naive statement does not inspire confidence in the man who will be making serious interpretations of the legislation and deciding among disputes. For one thing, Mr. Biddell totally ignores the effects of inflation, the devaluation of the dollar on the worker's income, and gives no thought to seniority or reward for a job well done or even incentive to work hard.

In conclusion, the bill imposes public sector wage controls in an unfair and misguided initiative on behalf of the government. It represents a political expedient, public relations move based upon opinion polls. It fails to address the complex problems in a meaningful way. It does not create jobs and it does not lower inflation, nor will it re-establish consumer confidence. It creates an unfair, inequitable nonsolution to our current problem. We urge its withdrawal and call upon the government and the opposition to work together to combat the economic problems we are presently faced with in a meaningful and responsible manner.

Mr. Mackenzie: I want to congratulate you on bringing to us also the list of figures you have compiled over the last six years in terms of the employment. I want to ask you if you group

has carefully researched these figures. I have some difficulty in accepting that they can be accurate, as I have certainly heard a number of cabinet ministers, led on more than one occasion by the Premier (Mr. Davis) and the Treasurer (Mr. F. S. Miller), tell us that one of the reasons for the bill was the security that the public sector workers did achieve. You show a rather decided and drastic lack of security in the teaching profession, at least from the figures you have presented to us for the various districts. Can you attest to the accuracy of those figures?

Mr. Lennox: I would ask Mr. Mattice, our teacher welfare officer, who is in charge of statistics such as this, to respond.

Mr. Mattice: These are provided directly by the Education Relations Commission, which is a quasi-agent of the provincial government.

Mr. Mackenzie: Do you have any idea or understanding as to whether or not these figures were available to the Premier and Treasurer as well?

Mr. Mattice: These figures are contained in reports which are published by the Education Relations Commission. They are contained particularly in the monograph entitled, Teacher Distribution. That is published annually, and I have no doubt that the Minister of Education (Miss Stephenson) and other segments of the government receive the publications of the Education Relations Commission.

Mr. Mackenzie: In your meetings with government officials at top level, have you had any reservations as to whether the Minister of Education is talking to the Premier and the Treasurer of the province?

4 p.m.

Mr. Mattice: I have no knowledge as to whether the Minister of Education talks directly with the Treasurer and the Premier. I would be very hopeful that that were occurring on a daily if not weekly basis.

Mr. Mackenzie: Obviously, some of the information was not passed on.

Mr. Mattice: I cannot make any comment on that.

Mr. Bradley: I would like to begin by extending congratulations to the Ontario Public School Teachers' Federation for both the content of the presentation and the manner in which it was presented. It seems to me that we have seen an example of the same, almost identical message, being presented by two different groups only this one without the political overtones of the last one.

My question is probably on a subject of great concern to trustees and to teachers and other employees of boards of education. It concerns transfer payments. You would be aware, Mr.

Chairman, that I asked a question of the Treasurer in the House yesterday about transfer payments, attempting to get an assurance from him that they would not be held to the five per cent because of the obvious mandated responsibilities that boards of education have.

Have you made representations to the provincial government on transfer payments for the upcoming year, and what specific provisions that are mandated by the provincial government will require a transfer payment of above five per cent, even in the context of the legislation having been passed?

Mr. Lennox: I will answer the question initially and then I will ask our secretary to be specific. The Ontario Teachers' Federation has made presentation to the Ministry of Education on several occasions with regard to funding of education and the need for transfer payments to be above the cost of living for this coming year.

I would just reinforce the comment with regard to the sales tax on school supplies that the boards have had to absorb. I would also like to make a comment on the Treasurer's comment that that would only be one per cent of the school boards' budget. If we had to divide the school board budget up into one per cent, you would find very serious problems getting one per cent leverage within a school board's budget without turning it over to a local assessment base.

Presentations certainly have been made. Our federation has written letters with regard to funding of education and the need to keep education the number one priority in this province. The only way you are going to protect the future generation in this province is adequately to fund education.

Mr. Andrew: I guess of the four things we probably want to mention in passing, one specifically is a great, critical issue to us. That is the requirements in the special education amendments which were placed before the Legislature previously, and which must be met. There are no alternatives to meeting them.

If the increase in the availability of grant moneys is kept below the cost of living, then the only way in which the money can be found to meet those critical issues, the needs of very special students, will have to come out of the funding for "regular" classes, which simply will increase the number of students being faced by a single teacher.

The detriment then is to every student who is labelled normal, whatever that means. It will be wise to become a special student so you will be properly cared for. That is not to be critical of the child with special needs. God help us, I have been in schools for too many years not to understand that. But it is to say that you cannot squeeze more out of this pot.

The president has already referred to the cost of sales taxes. One per cent of a budget is one per cent of a budget. I do not care how you slice it, it is still a lot of money. If the transfers to school boards is of the order of \$2 billion, you can figure out what one per cent of that is.

There are the cost pass-throughs, which have been mentioned at least twice this afternoon in my presence, and finally the cost of doing business, which in certain sectors escalate rather more dramatically than they do elsewhere. For example, there is the continuing escalation in the cost of textbooks and everything else--that includes paper and other consumable commodities--most of which are subject to tax and all of which have increased dramatically beyond the stable cost of living, which is as unstable as any cost I can think of. Those are critical issues to us.

Mr. Bradley: In the same context of the amount of money that would be transferred being affected by this legislation, indirectly if not directly, there is the question of the pooling of commercial and industrial assessment which has come before us in this whole context of financing. Could you indicate to us whether you feel that this would be beneficial to boards hard hit by the restrictions that might be put on transfer payments or, indeed, is everybody going to suffer under this?

Mr. Lennox: I recognize time is limited here, so to get into a debate with regard to the ministry's proposal for pooling of commercial and industrial assessment, I will have to be very restrictive in my comments, Mr. Bradley. I don't see any board in the province gaining if the province goes forward with its proposal for pooling of commercial and industrial assessment. The gain may be to the province itself, but it will not be to school boards.

The bureaucratic organization that would be needed to look after such a change would be a concern that we would have. Second, you would be looking at about 80 per cent of the education tax dollar coming through the consolidated revenues of the province. My concern and the concern of our federation would be that the dollars which were raised for educational needs may not find their way out of the consolidated revenues back into education.

I have a very high level of trust of a lot of things. I have a trust that the sun will rise tomorrow morning. I do not have the same level of trust that that money will come back out to meet the educational needs in our province.

Mr. Bradley: The further question I would have is to do with negotiations in the collective bargaining process previous to the introduction of the bill. We were all aware that something might happen somewhere along the line. The rumours were pretty rampant as far back as last spring and then into the summer.

In your view, did this significantly affect the progress of negotiations that took place? I will isolate that from Metropolitan Toronto where, as I understand it, Bill 127 did have an effect. But in the rest of the province, did the potential of a Bill 179 affect the progress of negotiations?

Mr. Lennox: I can state emphatically that I believe the process of negotiations this year has been slowed down while boards of education have waited for either federal measures or

provincial measures to come in. I don't want to be specific with regard to any board because there are good reasons for boards to take a hard look at the negotiation stages they are at and the deliberation of their next action, but we felt that the negotiation processes in many boards across the province were slowed down waiting for this.

Mr. Mattice, would you care to add?

Mr. Mattice: That is a fair statement. However, we had two types of flurries. We had a flurry of stampeding before a board would offer what might be considered a marginal offer and the teachers were prepared to accept it because they did not know what was going to happen in the next couple of days. At the same time we had boards, immediately after the budget of June, offering six and five per cent and that was going to be it, expecting the provincial government to come up with something within the next two or three days.

I do believe that the process during the summer was much slowed down, because although the teachers had indicated willingness to meet, the boards of education said, in many instances, they expected to be taken off the hook.

Mr. Bradley: Mr. Chairman, I appreciate the position of the Ontario Public School Teachers' Federation is to have the bill withdrawn and it is unlikely that they would want to discuss any amendments. It certainly has been the consistent position of the Ontario Teachers' Federation throughout, so I will not go through the speculative process of amendments with this group.

However, at the risk of having a conflict of interest, having been a paid-up member of OPSNTF, now called OPSTF, being a teacher on a leave of absence--I know some of the members of this committee would like to see me back in the classroom probably--I would like to praise the OPSTF for maintaining the contacts with everyone and for keeping the doors open on the consultation process, even though they are adamantly opposed to this particular piece of legislation.

4:10 p.m.

I think it is important for teacher organizations to keep that door of consultation open, even though they may be adamantly opposed to specific legislation, specific policies or specific principles that are enunciated, and keep the partisanship out. I praise the Ontario Public School Teachers' Federation for doing so.

Mr. Wrye: Just for my clarification, Mr. Mackenzie raised the issue of your comparative staffing levels. I will just use one specific example; let me use the one right at the top, Atikokan. Is the loss of 15 teachers over the six-year period an absolute loss or did some of them move into supply teaching? I am not exactly sure of how your (inaudible) works.

Mr. Mattice: It is an absolute loss in the number of regular teaching employees by the Atikokan board. What happens or

what is there in Atikokan is that in 1975-76 there were 43 full-time or equivalent teachers employed by the Atikokan Board of Education. As of January 1982, which is the last statistic the Education Relations Commission has compiled, there were 28 full-time or equivalent teachers at the Atikokan board. I do not say that some of the additional 15 may not be still employed on a casual day-by-day basis for supply teaching, but they are not, in fact, regular employees of the Atikokan Board of Education.

Mr. Wrye: Mr. Lennox mentioned 28, some of whom might have been, in effect, on notice that their services might not be needed in 1982-83. Have you had any indication thus far, since the figures you are quoting are in effect for the last school year, as to what the impact has been this fall? Have you been able to derive any information?

Mr. Mattice: I have none.

Mr. Lennox: Other than we are aware that there were several boards that continued to be forced to reduce staff. The Education Relations Commission data will generally run half a year to a year behind because of the accumulation of data and the statistical process needed for that, so there will not be any data for September 1982-83 out for some time from the Education Relations Commission.

Ms. Bryden: Mr. Chairman, I found the brief very comprehensive. You certainly made the point that public sector wages have not been increasing at a faster rate than private sector wages--that in fact they have been increasing at a lower rate--and the present proposals are not likely to solve the economic problems.

What I would like to ask you specifically is do you feel that there are also provisions in the restraint program that will reduce the opportunity of women to advance towards equality of opportunity within the school system? I know there is equal pay under most school boards, but there may not necessarily be equal opportunity to become principals or to gain some of the nonmonetary conditions, such as additional training, for various reasons.

Do you feel that the position of women will be affected in a different way from the position of men under the restraint program?

Mr. Lennox: In some small way they may be. However, in the education sector we have always been proud of the fact that there has been equal pay for equal qualifications and experience. While there has been equal opportunity for advancement in education, there has at times not been the same encouragement made to every member who may wish, at some time, promotion or advancement in the field of education.

I do not think that comes under the aspect of the Inflation Restraint Act, with regard to encouraging women to advance themselves. That is a direction that the government has taken and one that our federation supports, that is, that we identify

competent people and encourage them to set out a career plan for promotion. It is available in the education sector and women certainly do need an amount of encouragement to proceed with a clear plan for advancement.

Mr. Mattice, do you see any other area we should mention?

Mr. Mattice: There was a question earlier on with respect to relative distribution of teachers throughout the salary grid. In the elementary panel we have a seven-category system as opposed to four categories. Approximately 18 to 20 per cent of the elementary teachers are in the categories which are called the pre-degree categories, categories 1, 2 and 3, or D, C and B. It is a fact that the majority of those people happen to be women.

I know of one woman, who is within six years of retirement, who, by virtue of increased qualifications which she would complete this year, would go from category B maximum teacher's salary to category A4. But obviously, assuming the bill does pass in unaltered form, her \$35,000 maximum salary figure will have an impact upon her and upon many other people, many of whom are women, who would be changing from the pre-degree to post-degree situation. These, having qualified themselves significantly, professionally as opposed to academically, are more than qualified for category B but cannot make the change until they attain their degree. By attaining the degree they would then sort of leap-frog categories by virtue of the additional professional qualifications they have in specialist training and in specialist certification.

Obviously the \$35,000 figure will impact upon all of those. So, there is that impact which may affect women more than men, although it obviously affects both.

Ms. Bryden: That confirms or denies what the Minister of Labour (Mr. Ramsay) said, that the bill is neutral as between men and women.

Mr. Lennox: Mr. Chairman, if I could just respond to one more point on that. I am sorry that Mr. Wrye is not here to hear this. His question concerned the number of people who could be affected with regard to the \$35,000 ceiling or trigger.

I do not think it is a matter of numbers. I think it is a matter that if one person is affected then that is one too many. When we take a look at this case, it not only affects by deferring a person's salary while they are teaching--because this individual is in her last four years of teaching--it is going have a direct impact on their pension year after year. All you need to do is take a look at one case; you do not need thousands of them lined up to see the inequity of such a clause.

Mr. Chairman: Thank you very much for your presentation.

Mr. Lennox: If I may just make one last comment, Mr. Chairman.

Mr. Chairman: Yes.

Mr. Lennox: Our federation does urge the withdrawal of the bill. We fail to see how this will restrain inflation, as the title of the act implies. We have full belief in the democratic process and we believe this violates that democratic process. Last, but most important, it will affect quality education; it will affect our students and students are most important to us, as teachers. I trust they are as important to you, as a government.

Mr. Chairman: The next group is the Labour Council of Metropolitan Toronto. We have a brief, which would be number 55.

Mr. Majesky: Thank you, Mr. Chairman and members of the committee.

Mr. Chairman: Could you identify yourselves? You are Mr. Majesky?

Mr. Majesky: I am Wally Majesky. I am the president of the Labour Council of Metropolitan Toronto and the chairperson of the Toronto Action Committee Against Wage Controls.

The Labour Council of Metropolitan Toronto represents over 400 local unions with a membership of about 170,000. A large proportion are from the public sector, either federally, provincially or municipally.

Following passage of the federal government's public sector wage control bill, C-124, and the introduction of Bill 179, the labour council decided to establish the Toronto Action Committee Against Wage Controls, a committee made up of public and private sector affiliates of the labour council, as well as non-affiliated organizations, such as, teachers, etc.

The purpose of this committee is to co-ordinate the fight against wage controls in Metropolitan Toronto not just during the current justice committee hearings and legislative debate, but right through the next federal and provincial elections. We will be doing all we can during the next three years to convince our combined membership to defeat any government that inflicted wage controls on our community.

4:20 p.m.

We are totally and unequivocally opposed to Bill 179 and its vicious attack on working people. Bill 179 must be completely withdrawn at once. There are no amendments that will make this bill acceptable to us, in whole or in part, since we are opposed to the concept and the principle of wage controls. The wage controls imposed by the Davis government are despicable, even more so because Bill Davis had made a promise to the labour leaders that controls would not be imposed on public sector workers.

Controls are only the latest step down the road of economic disintegration, a road down which Bill Davis has happily skipped following Ronald Reagan's depression-era tune. Bill Davis' wage controls are an insult to the working people of Ontario. The lowest paid are being asked to sacrifice the most while the coupon clippers and the highly paid professionals aren't touched. One

only has to take a look at the doctors in Ontario. Bill Davis would rather make the unemployed and the elderly pay for the depression, than the people who support and fill the Progressive Conservative Party's coffers.

Wage controls make a mockery of our right of association, guaranteed in one of the main sections of the Charter of Rights and Freedoms. Wage controls violate international labour standards set down by the United Nations. Yes, the government will let you join a union; but no, you can't bargain for better wages. It's like trying to go bowling without a bowling ball.

Wage controls are an insult to the women of Ontario. They'll preserve the wage ghettos which already exist and for two years Bill Davis will suspend any real attempt to do something about it.

Most tragic of all is that wage controls won't work. They'll take hundreds of millions of dollars in purchasing power out of the economy, creating more unemployment in the process. Thanks to the double whammy of wage controls and the province's tight-fisted nonsupport for Metro Toronto's social services, we can expect to see more unemployment, more crime, more alcohol and drug-related problems, more murders and more suicides in Metro Toronto in the coming months.

It's going to be a hard winter. Welfare rolls will increase by 38 per cent in Toronto, to almost 35,000 cases a month. It will cost the city \$13.8 million extra to pay the bills. The number of people whose unemployment insurance benefits run out will triple.

The result is predictable. The unemployed will be thrown upon the nongovernment charities. More people will depend on soup kitchens for their supper and more people will wander from doughnut stands to laundromats all night, or sleep on church floors, because many of them can't afford a room.

Of course, there will be no improvement in the care for the elderly. Day care will be even harder to get for working mothers, especially for the lower-paid women who are sole supporters of children and work in the public sector. OHIP premiums, transit fares, property taxes, food, fuel, housing prices will continue to rise. Thanks, Mr. Davis, you've really kept the promise.

With social services you've told the depression's walking wounded you don't need or want them. With wage controls you thank your public employees for trying to make the province work. Now you're threatening them. You're as much as saying, "Watch it, you could be next."

Let's shatter some myths about Bill Davis' employees and the employees of the cities and towns in this province. First, they're not overpaid. Many thousands of them make less than \$15,000 a year. Over a thousand who work in six mental retardation centres across the province just found out they don't have job security. Many are overworked because the Davis government won't replace people who leave their jobs. Tory cabinet ministers, even the Premier himself, have bragged that they have slashed jobs from the public service.

Frank Miller, the economic dinosaur in the Davis stone age cabinet, said in his last budget that 5,300 jobs were eliminated in the Ontario public service in a five-year span. They have added to unemployment in this province at a time of almost unprecedented misery in Canadian economic history.

Unemployment is the major economic problem in Ontario. In one year unemployment in this province has almost doubled according to Statistics Canada. We now have almost half a million out of work in Ontario. If we count the hidden unemployed, the people who have become so discouraged they dropped out of the work force, the total is closer to a million.

In Metro there are more unemployed than there are in the economic disaster area of Sudbury. Including actual and hidden unemployed, the discouraged workers, there is a total of about 200,000 people in this city alone who do not have jobs.

Metro is lucky in one sense. Its unemployment rate is lower than some other areas of the province. But when a city that only has 200,000 unemployed is called lucky and the government responds by introducing a wage control bill that would limit consumer purchasing and prolong the depression, the city is indeed in trouble.

Wage controls show the Davis government's commitment to the unemployed. Wage controls show that Davis' government is not concerned by the problem of unemployment. It's not the first time they've shown their lack of concern. At the end of 1980, the Davis government pulled the rug from underneath our unemployment help centre in Metropolitan Toronto, which had helped close to 20,000 unemployed people with problems caused by having no work. The Davis government refused to provide funding through the Ontario legal aid plan to keep the centre running.

At the Labour Council of Metropolitan Toronto we participate in a variety of community activities such as the United Way. In fact, we contribute millions of dollars to the United Way in Toronto. We provide a great deal of help for this most worthy cause.

We see the human faces of unemployment. The rising tide of the unemployed is going to devastate our city. Our social services, after years of Conservative government inspired cutbacks, are not equipped to handle the flood. The Davis government evidently does not see the problem of unemployment. It says jobs are a priority but it takes half a billion dollars out of our economy through wage controls. It slashes grants to municipalities which are forced, in turn, to either raise taxes or cut services.

The Davis controls are not only wage controls. The Tory government has also controlled the increases in grants it gives to municipalities. While municipal layoffs have not been numerous, attrition has become common. Workers aren't replaced and more strain is placed on services.

In the meantime, the Davis government hides from the

responsibility. It lets the city or town make the hard choices, and hard choices they are. Many of the services we most require in our day to day lives are municipally-funded in whole or in part. The police, hospitals and social services and many other essential services depend on municipal funding.

In a way, the Davis government has controlled the wages of all Ontario workers, whether they're in the private sector or in the public sector. When Mr. Davis slashes services, people usually have to pay more out of their own pockets and pay for the services themselves. Controls are not the answer to our economic problems; jobs are the answer.

Here are a few concrete ideas the government could implement if it was really concerned about creating jobs.

The labour council has firsthand experience in co-operative housing. For your information--and I haven't listed the figures--over the last seven years in Toronto we have built \$40-million worth of co-op housing, totalling about 1,500 units. It's a solution to high mortgage payments and short-term supply. The Davis government could boost both co-ops and low-income housing through a large-scale construction program which would also create jobs.

The provincial and federal governments have created the massive unemployment that's forcing people to welfare and causing such a strain on municipal finances. Therefore, the provincial and federal governments should be prepared to pay 100 per cent of the cost of all welfare payments.

The municipalities simply don't have the resources to cope at this time. The government should be hiring public employees itself and giving municipalities enough funds to do so themselves.

The government should begin a large-scale public works program, administered through the municipalities.

Dump controls; controls will merely create more unemployment. Controls are an economic fraud. They will contribute nothing to the economic recovery in this city, in this province or in this country.

4:30 p.m.

In ending, we agree with the proposals put forth by the Ontario Federation of Labour yesterday. The winter of 1982-83 may or may not be remembered for its weather. One sure thing that will be remembered is its misery. Controls will only add to that misery. Unless the Davis government is completely heartless, it will abandon Bill 179.

That's the presentation of the labour council.

Mr. Mackenzie: I would like to ask you a question I asked Mr. White of the United Auto Workers. That is simply whether or not you feel that private sector workers will, in a period of time, be on side with the public sector workers, or whether or not

this attempt to indicate that you couldn't call a steelworker or an auto worker and get support for the lack of controls is factual.

Do you feel that there will be a meeting of the minds? As president of a labour council that covers both workers, I think it's important to get your opinion.

Mr. Majesky: I think there's a meeting of the minds now. For your information, of the membership we have of the steelworkers from Toronto, 25 per cent of them are unemployed. I think they very clearly understand that when you take purchasing power out of the pockets of people, whoever they are, in the case of the public sector they very clearly understand that they don't buy refrigerators, they don't buy stoves, they don't buy the kinds of things that we manufacture in Toronto. I don't think the private sector is that far removed from the public sector.

Second, our people also know that once you dump on the public sector, the next people down the road are in the private sector. Don't think for a minute that governments aren't playing around with that. I think there isn't any great division between the private sector unions and the public sector unions.

Mr. Mackenzie: This bill was certainly based on perception more than fact. As a matter of fact, it has been based on two or three outright lies in terms of things we were told initially in the House, whether it was one-year, whether there would be the right to bargain nonmonetary items, or whether one of the reasons for it was the security people in the public sector had, all of which at least have been rattled in the course of these hearings.

I'm just simply wondering if the action committee that has been set up by the Toronto and District Labour Council, and I know of some of its work in the past, is going to be able to get down not just to the several hundred locals that are affiliated with the council but to the individual membership in all of those locals.

Mr. Majesky: We probably will. The myth about having security in the public sector is just that. When one takes a look at the cutbacks and the attrition happening in the public sector, there is no security. For 50 years that myth has been perpetuated about working for municipalities or for the Ontario government and it is just a myth.

What is coming out through these hearings, including the teachers and the public sector, is that there is no more security in the public sector. People are being arbitrarily laid off and arbitrarily fired. When one talks about security in the public sector, that's one big lie.

Mr. Jones: The only problem Mr. Mackenzie continues to have, and I hope none of the witnesses is led too far astray with it, is that attrition and cutbacks seem to be mixed up in his vocabulary.

The comments the Treasurer has made here and in the House as they referred to job security have often concentrated on the fact that in the private sector there are a lot of plant closings, large businesses, small businesses, and he has made the point that public sector employers tend less to go out of business, if indeed they do. That is a point he has made. I know that things get lost in Mr. Mackenzie's rhetoric.

Mr. Mackenzie: I don't think they've been lost. Just look at the figures we had with the teachers and you'll get some idea.

Mr. Allen: Or if you work in the chest clinics or if you work for the institutions that are being closed.

Mr. Jones: All those other things have to be taken into account in the case of the teachers.

Ms. Bryden: I certainly think the brief is very forthright and is making the very strong point that this bill will not solve the economic problem. It has some very good suggestions on how we can put people to work.

I particularly, of course, respond to the comment on page 3 that wage controls are an insult to the women of Ontario and will preserve the wage ghettos which already exist. I'd like to ask if you're referring to the fact that there will be no opportunity for a catch-up in collective agreements because they will be limited to the 9.5 per cent, or, in addition, do you feel that the percentage principle will also increase the gap in wages between men and women?

Mr. Majesky: There is no question that when you impose wage controls what you really do is just make the ghettos bigger and larger. First of all, I would imagine that the bulk of the women in the unionized work force--I cannot speak for the nonunionized who in some instances are behind--when you impose nine and five or six and five you have frozen them and then what you have really done is just made it worse.

I have a sneaking suspicion that the wage controls are not going to be here for two years. If you can politically flog it and the public opinion polls are such where it becomes politically popular, then they may be here for longer than two years.

I also have a sneaking suspicion that I am not too sure they are going to get away with it. I think the federal Liberals have proven that six and five has not brought them up in the Gallup polls the way they thought. I have been sitting here thinking that in the first kind of public exposure this government has had it has been euphoric in thinking that the public is in favour. In the first year of the controls, when the worker is hit in his pocket with a five per cent increase, those Gallup polls are not going to be as bright as they are now.

Something tells me that down the road at the end of two years, when those people are going to get hit and frozen, those Gallup polls done by Allan Gregg for the Tory government in this

province are not also going to be as bright. I think that what was an initial victory may be an albatross around the neck of the government of this province, but time will tell which one of us is right, either the government of the day or the trade union movement.

Ms. Bryden: Do you feel also that the virtual suspension of collective bargaining, even for nonmonetary items, because of the fact there will be no opportunity to bargain on monetary items, will prevent or put a freeze on any attempts by women to bargain items such as protection from video display terminals or maternity leave?

Mr. Majesky: If they are going to put an economic factor on everything, collective bargaining is frozen, period. We are not going to be able to bargain for occupational health and safety; we are not going to be able to bargain for anything in the work place. When one talks about dealing with occupational health and safety, once you put an economic price to that, as far as we are concerned, they have totally denied us the right to collectively bargain.

I find it hypocrisy of the greatest order when I hear today someone trying to talk about solidarity with Solidarity, when the government of this province is not one iota different in the work kinds of governments. They pride themselves on super democracy, but when the chips are down, they do not treat their workers any different to a lot of other countries in the world, be they left or right.

Ms. Bryden: I like your suggestion that any increases in welfare benefits should be absorbed 100 per cent by the provincial government because, otherwise, the people who are subject to this restraint, those who are working, will be paying out additional property taxes for the people who are put out of work, or additional unemployment insurance it appears the federal government is going to impose. Is it not true that the burden is added to the people who are subject to restraint?

Mr. Majesky: If you have got \$13 million in welfare cost that the municipality has to pick up, you can only pass it on to the home owner in the municipality, and the average taxes in Toronto, which are running extremely high, are just going to be higher. When you get to someone who is either unemployed, or both people unemployed or sole support parents, you are just going to put an additional burden on that, either forcing people to sell or to get some kind of employment.

There is no question about it, because if a municipality has to pay, who else has to pick up the tab if it is not the home owner in Metropolitan Toronto?

Mr. Wrye: Mr. Chairman, there are two areas I am picking up on the last question my colleague asked. Did I hear you correctly in saying that the municipal tab across the province for welfare is right now about \$13 million?

Mr. Majesky: I am talking about Metro Toronto.

Mr. Wrye: Could you give me a cost estimate, or do you have one, for across the province?

Mr. Majesky: I picked that up through the brief from the social planning council. I do not have the figures of what it would be across the province. I know what that is in terms of Metropolitan Toronto and I did not bring that with me. I would imagine I could probably get them or someone can get them for you.

I was just trying to zero in on what I thought the welfare costs would be in Metropolitan Toronto in terms of added cost.

4:40 p.m.

Mr. Wrye: I might only slightly differ with you. There probably should be a trigger point where the province should step in for municipalities because there are certainly some--Sudbury being an obvious example--which are much worse than others, although I suspect that the trigger point for virtually all municipalities has probably been reached.

Let me ask you another question because you have made a number of proposals for job creation. You know and I know that for the provincial government to step in and do that it has to have some money. Is it your view, and we have heard from a number of union groups, that one way of paying for the implementation of job creation projects would be through a two per cent surtax on incomes over \$40,000 a year?

Mr. Majesky: I am not quite sure if that is a total consensus in the labour movement; it is pretty obvious it is a consensus of some of the people in the public sector, in particular, Sean O'Flynn. I would imagine the brief that is going to be presented to the Conservative cabinet by the Ontario Federation of Labour will then be kind of the position of the labour movement

There are individuals putting that forward, and Mr. O'Flynn has put forward that position. I am not quite sure and we are still working through because there is a variety of thought. Mr. O'Flynn thinks one thing and I think another thing. There will ultimately be a brief presented by us.

I am not ducking it because we are all over the place on this. When the Ontario Federation of Labour, which takes in about 800,000 people, both in the public and private sector, has hammered out a position, that position may be there or it may not.

That is the only answer I have, because I am not quite sure where I come down on that question because I have some differences, as we all do in the labour movement, of what we do and how we raise the money for job-creation programs. I do not think that this is one way of taking it out of the public sector and somehow redirecting it somewhere else. I think you are taking it out of one pocket and putting it in the other and I do not think it really works that way.

Mr. Wrye: Your concern is that you are uneasy about

increasing taxes at the upper end of the scale. Is that a fair summation?

Mr. Majesky: Whether I am uneasy or not, I do not know if that is a practical thing. You would have to do 10 or 12 things before you create those kinds of things.

I am not quite sure and I am just ducking it because I have not really thought through whether I would want to tax at the \$40,000 or the \$50,000 level, whether you surtax them, what you do with corporations and what do you get out of them. I really have not figured it out yet and I am just being very honest about it.

Mr. Chairman: Thank you for your presentation.

The next group is the Service Employees International Union provincial joint council, Mr. Roscoe and Miss Toakill and others. Would your spokesman please identify your group as exhibit 56 is being circulated?

Mr. Roscoe: Mr. Chairman, on my left is Miss Karen Todkill, of our research department. On the far right is Paul Middleton, of our London area local, Local 220; and Lynn Whittaker, also of London Local 220, both staff members. I am the international vice-president for Canada and the president of the joint council.

Right at the outset, I would just like to say, in case anybody should get the wrong impression from any part of the brief we are about to present to you, we are opposed to the bill that is before us, Bill 179, and we think it should be withdrawn altogether.

Having been around more than one day, we are also aware that, just because we have said it and rest of the province believes what we believe in the labour movement, the government is not about to roll over and play dead on that particular issue. So we are going to try to put forward some useful points to you, keeping in mind all the time that if you decide to withdraw it, that would be the best thing that could happen to anybody.

I have sat and listened this afternoon to a couple of briefs from our brothers and sisters in the labour movement. I sympathize with them greatly, but I am going to bring you down from the \$35,000 level and hope we can get to your inner conscience by bringing you down to \$8,000, where it is really going to hurt people, and I am talking about people whom I represent in my particular union. I am going to take the time to read the brief--it takes 20 minutes--because we are going to be saddled this with two or three years. So we will prevail upon you as far as that is concerned.

We appear before you today to present a brief on behalf of the Ontario Provincial Joint Council No. 22, of the Service Employees International Union. This council includes 14 locals representing 33,000 workers across the province. Approximately 95 per cent of these workers are in the public sector, employed by hospitals and nursing homes, universities and school boards.

Approximately 85 per cent are women. They are all clearly covered by the scope of Bill 179.

Bill 179 is entitled, "An Act respecting the Restraint of Compensation in the Public Sector of Ontario and the Monitoring of Inflationary Conditions in the Economy of the Province." It would be more appropriate if the bill were called, "An Act to Restrict the Legal Rights and Activities of Public Sector Labour Unions in the Province of Ontario."

The Ontario Provincial Joint Council of the Service Employees International Union is outraged by the proposed use of wage controls as a political ploy to convince the public that the government is doing something to combat a disastrous economic situation. More than that, the government is using the legislation to strip unions of their basic rights and purposes under the law. Under this act, it will be almost impossible to organize, or to negotiate; we are further denied the right to strike, or the opportunity to proceed to binding arbitration. All of that is proposed in the name of reducing inflation when, in fact, none of it has anything to do with inflation.

We note, again, the title of the act. The section on prices is referred to as the, "Monitoring of Inflationary Conditions in the Economy of the Province." This is indicative of the intent of the government. When it comes to wages, we restrain; with prices, we monitor.

The intent was further clarified by the Treasurer of Ontario, Mr. Frank Miller, upon the introduction of the wage control bill when he said: "Tuition fees will be limited to a five per cent increase next year. The same will hold true for car licence fees, provincial park permits, hunting and fishing fees, etc." Many of our members do not even enjoy a lifestyle which affords them such luxuries as hunting expeditions, forays into provincial parks, and cars, let alone access to a university education.

The bill does nothing about those increases in prices that are directly responsible for inflation, increases involving the necessities of life. Where are the controls on the cost of food? Where are the controls on the costs of shelter, rents and mortgage rates? Where are the controls on the cost of city transit? Where are the controls on the cost of gasoline?

Since the introduction of Bill 179 on September 21, the price of gasoline at the pump has already increased by 28 per cent overnight, not to mention a jump in the provincial tax on gasoline of 56 per cent since early 1980. Controls have not stopped a 17 per cent hike in medicare premiums.

Bill 179 suggests that it deals directly with the prices of public agencies; however, the program is discretionary. The criteria by which price increases will be judged allow for all costs other than profits and wages to be directly passed through as increased prices. These costs include such things as taxes, interest rates, related goods and services, etc. Therefore, the

impact on regulated prices, that is, the ultimate price to the consumer, will be minimal.

The legislation does provide for two other criteria by which price increases are to be judged, criteria which are related to the wage bill and profit increases. These conditions, however, can be waived in situations of adverse economic impacts.

The entire approach provides a revealing commentary on how the government views institutions as opposed to individuals. When institutions face adverse economic impacts, restraint is waived, but when individuals face adverse economic impacts, restraint is imposed.

The individuals, our members, do not produce inflation; inflation has them on the run.

Let us look at a typical member of Service Employees International Union. Six locals of this union negotiate jointly with some 46 hospitals across the province.

Mr. Chairman: I would interrupt you, excuse me. Are you going to read the entire brief?

Mr. Roscoe: Yes.

Mr. Chairman: The committee did say before that they would hope that people would summarize the brief and leave time for questions, rather than reading it, if at all possible.

Mr. Roscoe: With all due respect to the committee, you are going to be sitting a long time in the next few days and you are going to be listening to a lot of briefs. I am asking for 20 minutes of the committee's time on this bill which is going to have considerable impact on our membership.

I feel our point can be put across better by me reading the thing than trying to summarize it. I find, whether you do or not, that I get verbal diarrhoea when I try to summarize and it will take me three times as long to summarize it as to read it. So if you would allow me that, I would appreciate it.

4:50 p.m.

Mr. Chairman: That is up to the committee. Fine, thank you.

Mr. Roscoe: A housekeeping aide working in one of these hospitals was receiving a maximum rate of \$7.44 an hour, or \$14,508 a year, on June 1, 1982, the expiry date of the last contract. This wage lagged far behind the Ontario composite average weekly wage, which by June 1, 1982, had reached a level of \$379.46 a week, or \$19,731 a year; \$5,223 more than the housekeeping aide rate at the same time. The hospital workers subsequently received a wage award of 11 per cent in a one-year contract expiring June 1, 1983. This gives the housekeeping aide an increase of \$1,579 a year, or 81 cents an hour, to bring her salary to \$16,087.

Does this government honestly believe that wage increases to employees who are making \$16,087 are the cause of inflation? This is a wage that has no margin or excess to cope with inflation. It is not a wage that can afford to be restrained. It is a wage that has in fact been restrained since collective bargaining began in this industry.

In 1974, the government of Ontario had to intervene directly in hospital negotiations in order to remedy the poverty level wages in hospitals. Substantial moneys were made available to bring hospital worker wages from a substandard level to some form of respectability. Again, in 1981, an arbitration award was issued by a board chaired by Professor Paul Weiler, which remarked that "a substantial catch-up increase is warranted in this award."

There have therefore been two contracts within an eight-year period from 1974 to 1982 that have recognized the need for a significant adjustment in the wages of these workers. We appear here today to tell you that Bill 179 will ensure that these workers will again slide back down the economic scale, negating years and years of hard-won increases. At \$16,087 per annum, the housekeeping aide can ill afford to go through a third episode of punitive restraint.

Another typical member of the Service Employees International Union is the nurse's aide employed in nursing homes. This union negotiates on a joint basis with 33 nursing homes across the province. From October 1980 to June 1982, a nurse's aide in any one of these homes was receiving a maximum hourly wage of \$5.85, or \$11,407 a year. Although their contract expired in March 1981, arbitration hearings were not held until a year later, and a decision was not released until the end of June 1982, a full 15 months after the contract expired.

The arbitration board, chaired by George W. Adams, issued a unanimous award with a total increase of \$2.15 an hour in four stages, retroactive to April 1, 1981, and expiring March 31, 1983. This raised the nurse's aide hourly rate to \$8, or \$15,600 a year by the end of the contract. Again, this is not a wage that fuels inflation.

Although the newspapers predictably shrieked headlines such as "Ontario nursing home workers win 37 per cent raise," the fact is these people were earning poverty-level wages. This, however, does not attract as much media attention. It is the headlines themselves the bill is responding to, not the economic reality for the nursing home workers.

Bill 179 is of particular concern to these workers. There has been an effort made by the SEIU over a number of years to bring their wages into line with hospital wages. The arbitration award confirmed this principle, stating what is printed in the brief. I shall save reading that. It just says that they should be paid the same as hospital workers. The wage restraint legislation would wipe out any opportunity for nursing home workers to achieve this goal in actual monetary terms.

These are only two examples of workers who will be affected

by controls. Most of our members are clustered around the \$16,000 salary level, yet approximately 30 per cent of our members earn less than this average amount.

As to women workers, we stated at the outset that the majority of our members were female.

We note with interest the bill's exclusion of section 33 of the Employment Standards Act, better known as "equal pay for equal work." The purpose of this legislation was to improve the lot of the working woman. Yet the bitter irony of Bill 179 is to restrain and roll back wage increases in a predominantly female sector of the economy.

This government's commitment to working women is once again found wanting. Wage controls for these workers will do nothing to improve their economic situation. It is only going to make an already bad situation intolerable. It is a very nasty business to punish those who are most vulnerable.

This union contends that this wage restraint legislation is intended to be a union-busting strategy. The most flagrant indication is section 13, which causes "every collective agreement to be continued in force without change for the period for which the compensation plan is extended or made subject to the act."

This simple clause has managed to obliterate the most basic rights of the labour movement, rights which it took a good hundred years to establish. The right to negotiate a collective agreement and to engage in a legal work stoppage to enforce one's bargaining position, would be effectively removed for public sector workers in Ontario.

This legislation is also a frustrating experience for those workers covered by the Hospital Labour Disputes Arbitration Act. We have been struggling with the deficiencies of that act since its inception, to say nothing of being denied the right to withdraw our labour. Now, health care unions would even be denied this dispute resolution mechanism, however flawed it may otherwise be.

The bill goes on to state, in section 15:

"The parties to a collective agreement that includes a compensation plan that is extended under section 11 may, by agreement, amend any terms and conditions of the collective agreement other than compensation rates and other terms and conditions of the compensation plan."

To say that noncompensation items "may, by agreement," be amended by the parties with no dispute resolution mechanisms available is, effectively, to eliminate negotiations. For this committee to suggest otherwise, demonstrates total ignorance of public sector negotiations.

Perhaps the committee can enlighten us: What possible connection do nonmonetary items have to inflation?

Then there is section 19, which states:

"A provision of a compensation plan to which this part applies, entered into or established at any time, is of no force or effect to the extent that it provides for an increase in compensation rates to a level that they would but for this act have reached."

Are we to assume that wage controls are to be extended beyond the implied duration of the act? This clause is ambiguous at best, and suggests that wage restraints could be in effect indefinitely. Alternatively, this clause can be interpreted to disallow any future catch-up increases to compensate for the restraint period. This is an intolerable restriction on employees in the public sector, and appears to be totally lacking in rationale. Without doubt, the target of section 13, 15 and 19 is the trade union movement itself, rather than any attempt to combat inflation.

All of this leads us to ask: Does this government still believe in the right to free collective bargaining?

As for the Inflation Restraint Board, this union finds the arbitrary role and broad powers of the proposed IRB totally objectionable. For a government to propose that an appointed tribunal can refuse workers a fair hearing, without an obligation to give reasons for this refusal, erodes many of the gains that organized labour has made in this province.

For a government then to allow such a board to make a decision or a determination, without either a hearing or reasons, not only flies in the face of natural justice, but smacks rather more of Poland than of Ontario.

It is further intolerable that this proposed board would have the unilateral power to determine the wage increase that a worker could receive under an agreement that expired before October 1981. It is positively unbelievable that this government would not allow an avenue of appeal for any worker affected by the decisions of the Inflation Restraint Board. Will this government not accept legitimate input from the working people whose standards of living are dependent on this board's decisions? Will there be no respect for a worker's right to freedom of information and the right to defend oneself?

The irony is that this very same board, given the enormous powers it will exercise in the work place, will merely "monitor" prices in the private market. That is some restraint on inflation.

The Service Employees International Union finds the proposed Inflation Restraint Board unacceptable. If this legislation is passed, there must be provision to allow mandatory hearings, if requested by any party involved. Decisions and determinations must be made public and be justified in writing, and an appeal procedure must be instituted.

The proposed board makes a mockery of Ontario's labour relations. In fact, it makes a mockery of the entire legal system

of due process, established over centuries, to protect the individual.

On first collective agreements, this union believes this legislation would be particularly unjust for newly organized units of employees. In the health care field specifically, and generally in other service industries we organize, the non-unionized employee is grossly underpaid. These people are quite often receiving the minimum wage or close to it, with few or no benefits to speak of.

5 p.m.

These workers have exercised their legal right to join a trade union in order to improve their standard of living. The government then proceeds under this proposed legislation to rob them of a decent wage increase which will bring them into line with the wage package earned by unionized workers in other hospitals, nursing homes and service industries. They are told that they can only receive a nine per cent or five per cent increase on a wage rate in the neighbourhood of \$10,000 a year, or a maximum increase of \$1,000, if their employer sees fit to grant it.

Why should employees join unions to improve their wages if the unions no longer have the right to negotiate wage increases beyond a minimum level? This wage restraint legislation thus would become a deterrent to union organizing. It throws into question the government's attitude towards trade union organizing, the trade union movement in general, and the right to free collective bargaining. Why should employers of newly organized bargaining units be provided with this legislative gift from the government, allowing them to undermine the unions they deal with?

We can provide this committee with graphic examples of the potential effects on newly organized bargaining units. In Durham, Ontario, 48 full-time and part-time workers, all of whom are women, were certified as a bargaining unit at St. Raphael's Nursing Home on November 18, 1981. The union could not reach an agreement with management in their negotiations and thus proceeded to arbitration. The hearing took place on October 4, 1982, and they are now awaiting an arbitration award.

Two thirds of the employees in this home are presently earning \$3.50 to \$3.55 an hour. They have already waited a year for a hearing due to the delays in the system of interest arbitration for health care workers under the Hospital Labour Disputes Arbitration Act. During the entire time, they have received no wage increases. They have no wage grid or system of wage rates set up according to seniority and classification. The methods or rules to determine these employees' wage rates have been totally arbitrary, totally at the quixotic pleasure of the employer. However, it is not clear that the proposed legislation is flexible enough to allow a wage grid to be established as a necessary first step in most collective agreements.

Taking the highest possible increase obtainable by these employees under Bill 179, the \$1,000 minimum--assuming the Inflation Restraint Board allows them this increase and it is all directed towards wages alone and not other forms of compensation--we find the majority of them will be earning a wage of \$4.01 to \$4.06 an hour in the first year of their contract--\$7,819 to \$7,917 a year--and \$4.52. to \$4.56 an hour by the end of the contract in late 1983--\$8,794 to \$8,892 a year. One must ask, what kind of justice it is which locks these workers into such wage levels?

Yet, at the same time that these St. Raphael's Nursing Home workers are receiving their wages in the \$4-an-hour range, workers in other nursing homes with the same owner--St. Raphael's, McNicoll, Yorkville and Victoria Park, all in Toronto--will be making maximum hourly rates ranging from \$7.90 for housekeeping, laundry and dietary aides to \$8.75 for cooks. The wages paid in the St. Raphael's homes were brought into line with the rates paid in a group of 33 nursing homes which bargain jointly with the union, as mentioned earlier in this brief.

I do not want anyone to think that is all the money in the world. That was all we were able to get from arbitration, and I just used it as an example. This required an increase of \$2.15 an hour, plus catch-up amounts ranging from 20 cents to 55 cents in different classifications. These settlements also included other improvements in benefits and other compensation factors which would not be available to St. Raphael's Durham employees. In the name of restraint, Bill 179 breeds cruel discrimination.

A similar situation exists for Idylwild Nursing Home employees in London, Ontario. Twenty full-time and part-time employees, 19 of whom are women, were certified as a bargaining unit on March 31, 1981. Negotiations with this employer were quite difficult and the proceedings dragged out, as they often do, under the hospital labour disputes act. The arbitration hearing is presently scheduled for December 15, 1982, over one and a half years since certification.

These employees receive hourly wage rates ranging from \$3.30 an hour to \$4.75. There is no consistency to the rates. The same classifications are paid differently with no attention to seniority. What is more, there are no employer-paid benefits. Under the act, it is unlikely that these newly organized employees will receive any improvements in compensation areas other than wages, since they will need the wage increases so desperately. These employees will have a discretionary increase imposed on them by the Inflation Restraint Board for the first year of their contract, which was a period long before the imposition of wage restraints, when settlements were in the range of 13 per cent just in order to match inflation, let alone catch-up increases.

The Idylwild Nursing Home employees will then be limited to a nine per cent increase for a second year, and a five per cent increase for a third year. By the end of their contract, these workers will have been under wage restraints for three years, while other groups are subjected to only one year of wage restraints. Do you see how destructive and prejudicial the proposed statute will be?

An analagous problem area that has arisen in quite a number of our locals, as a result of this proposed wage-restraint legislation, is the certification of part-time bargaining units where full-time units already exist.

At York County Hospital in Toronto, 120 part-time service employees were certified as a bargaining unit in June. The full-time service workers have been organized for some time and they recently received a wage increase of 11 per cent in a contract which will expire in June 1983. However, the regular part-time employees are all being paid at the start rate of the old full-time wage rates before the 11 per cent increase. These employees are working side by side and performing the same jobs; but the newly organized part-timers are not going to be able to obtain the same wage rates as the full-timers because of this wage restraint legislation.

It is usually the practice in almost all organized hospitals to have the full-time and part-time employees paid the same wage rate, and they sometimes share the same collective agreement although they may be in separate bargaining units. It is also usually the practice for the part-timers to receive an additional 12 per cent of their hourly wage rate in lieu of the fringe benefits they do not receive as the full-timers do. This is provided for the part-time employees in the group of 46 hospitals that bargain jointly with the Service Employees International Union.

York County Hospital is part of that group of 46, but it appears that the newly organized part-time unit will be set apart from the group due to the wage restraint legislation. At Runnymede Hospital the same problem is also faced by 25 part-time service workers who were also certified in June 1982. Again, they received the start rate of the full-time workers, but no 12 per cent payment in lieu of benefits, and no benefits at all. The full-time workers are in the central group of 46 hospitals bargaining with this union.

There are nursing homes which face this problem as well. At Chateau Gardens in Hanover the full-time employees were recently awarded a large monetary increase at arbitration. The part-time employees organized and were certified on October 8. They will be trapped at five per cent, yet these employees are roughly \$2 an hour behind their full-time counterparts, and Bill 179, as it presently stands, will not accommodate the needs of these people to obtain a legitimate compensatory adjustment. Thus it is that Bill 179 plays havoc with civilized labour relations.

The union contends that the same scenario as we have described in the situations above will occur in many of our newly organized units. This union therefore insists that the proposed wage restraint legislation, as it applies to newly organized units of employees who are attempting to achieve a first collective agreement, is absurdly harsh.

The legislation is not sensitive to the realities of the industrial relations system. If these newly organized employees cannot receive decent wage increases in their first collective agreements, they will be subject to a form of union busting; their motivation to organize will be destroyed by this government's actions. The Service Employees International Union strongly suggests that first collective agreements must be exempted from this legislation so that employees are freely allowed to negotiate their first wage increase and to resort to the strike or arbitration option, if necessary.

We previously touched upon some of the problems that present themselves when controlled wages are already very low. We also noted earlier that approximately 30 per cent of the workers which the SEIU represents are below the typical annual wage rate of \$16,000. For someone who makes \$16,000 or less a year, a nine per cent or five per cent increase is very little in actual dollar terms, compared to, say, a doctor whose net salary is currently in the neighbourhood of \$90,000. If the government chose to impose the wage restraints on these doctor employees, the nine per cent would represent \$8,100 and the five per cent would represent \$4,500.

The accompanying table illustrates the monetary increases for one of our workers, and I leave you to look at that.

5:10 p.m.

A large number of the employees we represent have contracts which expire after October 1, 1982, and before October 1, 1983. It appears they would be limited to a five per cent increase upon their expiry dates in a further one-year extension of their contracts. These wage increases assume that all of the allowable compensation increase is directed towards the wage rate, and none towards fringe benefits or other monetary items.

Section 12 of this wage restraint legislation provides that a minimum increase of \$750 a year, 38.5 cents an hour, will be ensured for employees. In addition, it allows for a discretionary increase by the employer of up to \$1,000 a year. If the employer does not allow his employees the \$1,000 minimum, a reference can be made to the Inflation Restraint Board. If this is the case, then the Service Employees International Union will be at the Inflation Restraint Board every day. Past experience proves that employer discretion rarely favours the employee.

If the government is serious in its concern for low-income workers, there should be a mandatory ceiling which represents a meaningful increase. The union contends that \$1,000 is a mean and paltry increase at such wage levels.

Bill 179 shackles the labour movement's efforts to improve a worker's monetary package. If we are to believe what is not clearly stated in this ill-conceived bill, it would appear that our right to negotiate nonmonetary items has also been eliminated. It is clear under section 15 of the bill that union and management can agree--we emphasis "agree"--to change nonmonetary matters. But

what recourse is available if a satisfactory agreement is not obtained? The bill does not address this problem. Yet the same day that this bill was introduced, Mr. Davis stated in a news release: "The legislation will extend all contracts and will temporarily suspend access to binding arbitration and strikes, although collective bargaining on nonmonetary items may continue."

Unfortunately, the specifics of the bill, as introduced by Mr. Miller, do not coincide with the Premier's interpretation. Given the magnitude of this issue and the enormous repercussions that this section will have on the lives of 500,000 working people, could we respectfully urge the Premier and the provincial Treasurer to clarify their respective positions?

The bill must clearly and unequivocally re-establish labour's right to take nonmonetary items to conciliation, mediation, arbitration or strike, if necessary. Nonmonetary items form a major and important component of labour's bargaining proposals in any negotiations. If this government has the slightest interest in preserving even a semblance of labour relations in Ontario, it will allow a continued negotiation of the nonmonetary items that so deeply affect the quality of a person's working life.

We also urge this government to define those items that it considers monetary. The legislation should not be a lever suddenly ascribing monetary value to certain items. This union has already experienced an arbitration hearing where the employer attempted to take a traditional nonmonetary issue and have it reclassified as monetary. In that case it involved the accumulation of seniority during maternity leave.

The legislation is Draconian enough without excluding nonmonetary matters. The Service Employees International Union simply asks that you reinstate our nonmonetary negotiating rights, so this union can get on with its job of representing at least some of the contractual interests of its members.

I leave the conclusion for you to read, Mr. Chairman. I assume that even without reading it you will know what it says. We will be glad to answer any questions that we possibly can.

Mr. Mackenzie: I just want to take a moment to congratulate your group on a brief that has been put together with a lot of information. I recognize, as I hope all of the others on the committee do, that you represent 33,000 of the lowest-paid workers in the province, and I think your brief points out, if indeed it needs the reinforcing, that there are some real problems involved in fairness, as far as your members are concerned, with this legislation.

I note also with interest, on page 21, that like many of us, you caught the fact that the bill as introduced and the interpretation we were first given are surely two different things and that the bill is based on either some total misconceptions or at least three or four major lies.

What is your own feeling in terms of some of the comments we have had in the House, particularly the ones I commented on earlier from Mr. Elgie, who said we should not be raising the question of the increase in energy prices--I think he was referring to gas specifically--because it was agreed upon before this legislation came into place. How do you weigh that against the fact we also had signed contracts in place and they can be negated?

Mr. Roscoe: I think my answer is obvious. There are many labour contracts out there that are going to be rolled back. What is good for one should be good for the other. When I referred to the 46 hospitals this union negotiates with, we had what we called a central award handed down on many of the nonmonetary items which are central to everybody. There are some local arbitrations sitting out there, pertaining to the same set of negotiations, that have not even been heard yet. They do have some monetary items because they refer to classification changes within the hospitals to bring them in line with other hospitals. They are to be handled on a local basis. So while we are in the middle of all of these negotiations and while we have one award down pertaining to the 46, we now have a bunch of others out there. This was in the works, to use your words, Mr. Mackenzie.

If we apply the same criteria, I should have nothing to worry about. We should go on to arbitration, and anything those arbitrators bring down in those local areas, we will get without any rollbacks or anything like that. I am hoping that is the way the committee and the government sees it.

Mr. Mackenzie: You are not going to bet a lot of money on it though?

Mr. Roscoe: I have not bet too much of my salary, no.

Mr. Mackenzie: Were you at the meeting with the Premier back in the spring when he made the commitment to no controls on public sector workers?

Mr. Roscoe: Yes, I was there and heard the statement made.

Mr. Mackenzie: That was your interpretation, as it was by all of the other labour unions?

Mr. Roscoe: Yes that was my interpretation, but I seemed to be wrong along with about 10 or 15 other people.

Mr. Wrye: First, may I congratulate you on the brief. It is thorough. I appreciate your opening comments about your basic position being that the bill should be withdrawn. You have taken the time to go through the brief with us and shown us the inequities that need to be addressed if the bill is not withdrawn. I believe--and I hope all members of committee will share this view--they need to be addressed most urgently. I think we should be most sensitive to the fact that those at the lowest end of the scale--the vast majority of them are women--are going to be literally crippled by this legislation unless some substantial amendments are offered.

That being the case, I really only have one question and I would like your thoughts on it. Given that so many people you represent are at that end of the scale, if amendments are offered in terms of notching, should they be in dollar terms or percentage terms? Could you also give us some thought as to what kind of figures you would think would be more reasonable?

Mr. Roscoe: First, let me just say this to you. As far as the monetary terms are concerned, whether it should be in dollars or percentage, I do not want to reiterate what you already know. Five per cent of nothing is nothing. In this particular case, in my own individual view, I think it should be in dollars. If you ask me what an \$8,000 a year person should get, I think 100 per cent would bring it to a nice round figure of \$8,000. If you want to put that down, that is great. That is going to bring a hospital worker up to \$16,000. There is no figure really to be very candid with you where I could say, "Hey, this would be a good figure."

5:20 p.m.

If we are talking about getting somebody who earns \$8,000, up to our own rates in the hospitals of \$16,000, my answer has to be somewhere around \$8,000. That is what we have asked them to do in arbitration. But I do not want you to get imbedded in your minds that I think \$16,000 is all the money in the world.

I have the greatest respect for people who have gone ahead of us--I would not want that taken out of context--but you have been listening to briefs where people have been getting \$35,000 a year and you all just seem to sit there. I feel sorry that they are being restrained, but God damn it, when I think of \$16,000 from the \$8,000 that I am working with, I am appalled that anybody would even think of restraining us in a nursing home, in the hospital field and those kinds of sectors. I am just appalled that anybody could even think of it on any side of the House.

Mr. Wrye: Could I ask one more question then?

Mr. Roscoe: Sorry, I got emotional.

Mr. Wrye: It is all right, I appreciate your sense of frustration. Could you help us in terms of whether you have had any recent arbitration awards--the awards and/or settlements--most recent to the introduction of this legislation back in mid-September. What areas were the awards in. Could you help us on that?

Mr. Roscoe: I have not had one personally, but my colleague on the end has had one. We have had a couple that have gone to arbitration, but the awards have not come down as yet. I think there may be one or two that have come down in the London area.

Mr. Middleton: I will deal with the first one which is a settlement with the county of Elgin at their Elgin Manor in St. Thomas. They are proposed to be covered by this legislation. They

might fall off their chairs to hear me talk, but to their credit they negotiated--and we negotiated hard with them--during the month of July and reached a settlement for a two-year contract. It will start October 18, 1981, and run through the end of 1983. There is going to be a \$2 an hour wage increase staged over four increases every six months for a contract that was fully ratified by the county and the union.

The county negotiators never once mentioned constraints or six and five at that time or whatever. It was fully ratified on September 9. An increase scheduled for October 17 has now passed. We presume it has gone into effect. We will not know until the next paycheques. They have a further last increase for next April 17 of 60 cents. That contract was signed, sealed and put to bed, as we call it, on September 10.

Mr. Wrye: Where was your starting grid before that \$2 was negotiated?

Mr. Middleton: Generally, those people were in the \$6 to \$7 an hour range and they will be in the \$8 range bumping \$9. It is a home for the aged, and there is a settled contract. Now we had an arbitration hearing in London for Komoka Nursing Home which has a historical significance to this union and others throughout the province. I believe it was the first home back in 1975 that achieved parity for nursing home workers with hospital workers. We have come full cycle about three or four times.

We now have a recent arbitration award resulting from a hearing held September 13. The award was released just recently, October 18, by Dr. Daniel Baum, an arbitrator in the province. He gave us \$1.50 an hour wage increase in one year, starting April 1, 1982, and running through to March 31, 1983. Very categorically in that award, he once again supports the principle--enunciated very well this summer as well by Mr. Adams--of parity for nursing home workers. That award is an award that comes down after the introduction of this legislation. The hearing, however, was held before the legislation. Since then, as mentioned in the brief, we have had hearings during the period between September 21 and today and will in the future.

Mr. Wrye: Just to conclude on that latter one, where was the base rate before the award?

Mr. Middleton: The base rate was roughly around the low \$7 an hour range, \$7.07, \$7.10, for dietary, housekeeping and laundry. They will now be coming out at around \$8.17 an hour, which is right bang on the hospital rates that go through to next January.

Mr. Wrye: It is about a 15 or 16 per cent settlement?

Mr. Middleton: Yes. As I say, though, you can't take percentages to the grocery store. Dollars and cents you can.

Mr. Chairman: Thank you very much for your presentation. The next group is the Simcoe and District Labour Council. You have a brief that is numbered 57. The clerk is circulating it. You are Mr. Pierce? Would you carry on please?

Mr. Pierce: Mr. Chairman and members of the committee, I wish to present the following. The Simcoe and District Labour Council with the support of its affiliates feels very strongly against the implementation of wage controls in the public sector and the proposed voluntary controls on the private sector both at the federal level with the six and five program and Ontario's Bill 179.

The labour council represents some 4,000 members of the work force under the following: United Steelworkers of America, Ontario Public Service Employees Union, Canadian Union of Public Employees, Can Workers' Federal Union, United Food and Commercial Workers, International Association of Machinists, Canadian Union of Postal Workers, Bank Employees Union, Retail, Wholesale and Department Store Union and the Service Employees International Union.

This labour council opposes any implementation of controls on wages. Wage settlements in the public sector, averaged over the past years, have actually been lower than the inflation rate. This is also true in a good number of wage settlements throughout the private sector. We cannot see how the five per cent limit on wages in the public sector and the voluntary imposition of controls on the private sector will have a major effect in the reduction of the inflation rate. They will, however, have a direct effect on the communities within the jurisdictional boundaries of the Simcoe and District Labour Council.

The current level of interest rates, although showing a reduction, is felt to be a more significant cause of the current inflation rate and the recession this province is experiencing, than wages. Wage controls will cause higher unemployment and decrease the jobs available to those unemployed. This is due to the removal of money in the economic system. It in turn will cause the public sector employees as well as the other employees in the work force to spend less at a time when it is essential to have a high influx of moneys in the economy to support the supply and demand chain of goods and services.

Government support of small business with tax concessions is not the route to go. Small businesses do not need the tax concessions; they need customers. The implementation of controls will only cause further businesses to go bankrupt, close their doors and lay off employees. For example, the Bank of Commerce ordered the closing of two long-established businesses in Simcoe in the last month--the West Machinery Co., which has been in the business for 100 years plus, and Fick Forestry Products Ltd.

Within the jurisdiction of the labour council I represent, there are some 2,000 plus public servants who will directly suffer under this new wage control bill. This ironically represents approximately five per cent of the population level of 50,000 in this area of the province. Not only will these 2,000 plus public servants be restrained up to a maximum of three years, but present contracts that were negotiated, ratified or awarded by arbitration and which were entered into and accepted on good faith will be nullified by the enactment of Bill 179. Negotiated increases will

be rolled back. Some of these people stand to lose up to \$1,000. Since writing, this, I have learned that it will be up to as high as even \$1,500 in negotiated awards.

The loss of these moneys will not only have a direct effect on the individual, it will have an effect on all members of the community. The trust of workers who used the process of free collective bargaining has now been destroyed. Will workers be able to trust their employer and bargain in good faith if this bill is allowed to be passed? The word of all employers in Ontario has been placed in jeopardy.

The right to strike has been a right that has been fought for by many unions for many years. Some have been successful in obtaining this basic right. For those that were less fortunate, the route of arbitration was a viable, though not always a preferable, alternative. With the enactment of Bill 179, the route of arbitration along with the right to strike will be suspended. This is a contravention of the basic right of workers to unionize and the right to free collective bargaining.

If the fallacy is that public sector wages are paid through tax dollars, then the tax dollars that are paid by both the private sector and public sector workers make the excluded doctors public sector workers also. However, the medical profession has not been included in the proposed bill. They have been asked to voluntarily participate in the restraint program by taking a cut in their recently agreed wage increases.

5:30 p.m.

The Simcoe and District Labour Council has recently conducted a survey of area doctors on a number of issues. A 20 per cent response was received, which is considered to be excellent by all statistics on responses to surveys. Fifty per cent of those that responded were in favour of controls in the public sector and 50 per cent were in favour of hospital workers not having the right to strike, yet doctors saw fit to remove their services during their negotiations. Interestingly enough, 50 per cent felt that their recently negotiated agreement was not adequate.

In the Simcoe area, as in all areas, we are experiencing high levels of layoffs by major employers. The proposed controls can only further cause additional layoffs, thus increasing the unemployment rate. The unemployment level in this area already stands at 13 per cent. To support this and save time, the examples are there. The number of layoffs is 20 per cent in a number of the major industries.

The highest level of unemployment, however, in layoffs has recently occurred in the agriculture industry, which is the major economic base for the communities in this area. In August of this year a killing frost devastated the tobacco crop and a number of vegetable crops. This has caused the early termination of several thousand agricultural workers. Not only are the farm workers affected, but the effects are being felt by the related tobacco and vegetable industries, as well as local businesses. While the growers will recover a percentage of their losses due to crop insurance, the farm workers are now on the unemployment and welfare rolls.

Further curtailment of moneys in the economic base of these communities in this area will naturally cause further layoffs and small business closures. The work force in this province has already faced one set of controls by the federal government in 1975 to 1978. We can see that the only benefit in this restraint period has been to industry, not to employees.

They still see inflation at a higher level than their salary increase and the cost of living, which naturally has reduced the purchasing power of this work force. The effects are still being felt. They did little to increase jobs, protect real incomes or lay a solid foundation for the economic future.

The current high level of interest rates and the inflation rate has taxed the buyer power of these salaries even further. Controls certainly cannot be seen as the solution, but rather a reduction in interest rates and a spinoff reduction in the inflation rate is what should be attacked at this time. Employees have made concessions in this area with the reduction of salary increases and the implementation of work-sharing programs. Again, there's another example there which I feel you can read.

There are alternatives to controls which this government should consider. There should be an emergency job-creation program put into effect, joint consultation and negotiation with communities to establish winter work programs in those areas currently facing high levels of unemployment. This would be a short-term program while the government studied and implemented a more extensive and permanent program.

Housing and mortgages are another area the government should be considering over controls. Mortgage lenders have had their field day during the past 24 months and many citizens are in agreements of 19-plus per cent while the current rates are as low as 14 per cent. This government should either cause the rollback of mortgage rates on present mortgages or implement a mortgage subsidy program.

Further alternatives, again, which have been submitted by the Ontario Public Service Employees Union and Ontario Federation of Labour, have received the endorsement of this council.

Before closing, however, there is another area of contention. The Prime Minister of our country recently stated he would not implement mandatory controls on the citizens of this country and the Premier of our province stated earlier he would not single out any one sector for the implementation of wage controls, namely, the public sector. Yet a six and five wage program has been put on the federal public sector and now provincially a program of five per cent on the provincial public sector. It seems the governments of this country and province have created a new class of citizen--the public servant. We oppose this discrimination of fellow workers and call for the defeat of Bill 179 and the removal of Bill C-124 on the federal public sector.

I maintain strongly that this brief covers these areas of local concern with the provincial outlook far greater than I am able to outline to this committee. The labour council maintains its position and opposition to the implementation of controls.

Mr. Wrye: At the bottom of page 7, you indicated that the council endorses the alternatives submitted by OPSEU and OFL. One of the alternatives is for a surtax on those earning more than \$40,000. Do you endorse that view, which was put to this committee by Mr. O'Flynn last week? A two per cent surtax to help raise money to pay for job creation on taxable income over \$40,000?

Mr. Pierce: As I stated, the council endorses that. Those were the terms that were presented and they received their endorsement. Considering that the public sector worker's wage for the province itself averages around \$18,000, I would say, yes, we do.

Mr. Wrye: Given that view, I ask this for my information. I really should have asked Mr. O'Flynn. For the life of me, I cannot understand why, if you are going to have a surtax, it would start at \$40,000 a year. If we are in a period of sacrifice, if we are trying to put people back to work. Why would it be that high? A taxable income of \$40,000 a year would be a gross income of somewhere in the range of \$50,000 or \$55,000.

Mr. Pierce: You are starting the restraint program at even less than that.

Mr. Wrye: It just seems to be an anomaly.

Mr. Pierce: I cannot understand why it is.

Mr. Mackenzie: I was wondering if you have done the figuring which would indicate if the kind of restraint we are imposing on employees earning under \$15,000 can be the equivalent of a tax increase of as much as almost 30 per cent. If you compare that to a suggested surcharge of two per cent, over \$40,000 seems pretty reasonable.

Mr. Pierce: Yes, it would be.

Mr. Mackenzie: Can you tell me if there is any real division in your labour council between the private and public sector workers, or if the private sector workers will be on side as the implications of this bill become known with the public sector workers?

Mr. Pierce: On presenting this brief to you, I brought it with the endorsement of those unions I initially listed. There is no dissent amongst them on the endorsement of this brief or its presentation.

Mr. Chairman: Thank you very much for your presentation.

The next group is the Ontario Liquor Board Employees' Union. Could you come forward please and would your spokesman please identify you? For the information of committee members, this is exhibit 58.

Mr. Coones: I am John Coones, first vice-president of the Ontario Liquor Board Employees' Union. On my left is Mr. Paul Dunford, who is the second vice-president. To my right is Mr. Sharad Kerur, who is our research officer.

Mr. Chairman, the Ontario Liquor Board Employees' Union, which represents the employees of both the Liquor Control Board of Ontario and the Liquor Licence Board of Ontario, wishes to thank you for granting us this opportunity to express our views and concerns regarding Bill 179.

Our union, like others, will be subjected by this bill to a further regression of collective bargaining rights already denied us by the Crown Employees Collective Bargaining Act.

The bill only serves to prove once again that the government does not believe in equality of treatment for labour in Ontario. It is destined to accomplish nothing except to make a terrible situation deplorable.

We recognize that the government rarely seeks the co-operation of labour, except during elections, and has constantly refused any of labour's recommendations dealing with issues such as housing, job creation and interest rates. Rather, it tends to rely on labour solely to lay blame for its own ineptness at managing the economy of this province.

This Conservative government bill is a bad piece of legislation and is doomed to failure. It is our belief that Bill 179 is a direct violation of International Labour Conventions 87 and 157, at which Canada has taken an active stand in ratifying all convention policies.

We disagree vehemently and wholeheartedly with the intent and principles of this bill for three main reasons.

First, cuts in public sector wages will severely restrict the amount of money allowed to circulate to the Ontario economy, an amount which will be more than the amount of wages lost as a result of the restraint.

Second, households will be faced with added pressure, thereby forcing them to channel more of their moneys into basic and staple areas, such as food, energy and mortgage or rental costs, and away from the luxury and specialty goods area, such as alcoholic beverages.

The resulting decrease in demand for these goods will mean decreases to real sales and therefore less money remitted to the Ontario Treasury, which uses profits from liquor sales for the funding of public works and social programs. Lower sales will fuel

the present unemployment crisis and cause unnecessary side effects in related industries.

5:40 p.m.

Third, the bill destroys the free collective bargaining spirit which is essential in maintaining adequate and safe working conditions and establishing a fair standard of living.

I will now expand on these areas.

As was the case with other unionized groups, our membership was caught in the controls web from 1976 to 1979. Prior to this period, liquor employees had fallen behind inflation dramatically and had finally attained equivalency in June 1975.

Restriction of wage increases and the lack of implementing a proper pricing policy to complement this resulted in inflation taking its toll once again. From 1976 to 1979 alone liquor workers' wages fell short of the inflation rate by two per cent, which translated into a \$1.4-million loss over that period.

The waves of that period remained in the ensuing years, causing the shortfall trend to continue to the tune of a further 2.1 per cent lag. Thus from 1976 to 1982 the total loss in wages has been almost \$3 million, which means \$4.5 million less circulating through the Ontario economy.

Bill 119 proposes a five per cent limit on liquor workers' wages. If predictions of an eight per cent inflation rate hold true for 1983 then these employees will lose a further \$2.2 million and will bring the shortfall to approximately \$5.2 million, a loss of almost \$1,000 to each employee and an approximate economic circulation loss of \$7.8 million. Bill 179 will have repeated a six-year history within only one year.

Bill 179 will have a profound negative effect on the sales of liquor products. Dollar sales of these products play a major role in funding public works and social programs in this province. Liquor control board profits alone account for three per cent of the annual provincial budget and according to the LCBO's financial statements for 1982, over \$530 million was remitted to the Ontario treasury that year.

Thus, loss in sales would place a substantial dent in the revenue side of the budget. The government, therefore, must ensure at minimum that the present sales level is maintained if such funding is to continue.

This has primarily been done using a heavy-handed tax policy which has resulted in large leaps to the price of alcohol products. The result has been one of the highest rates of inflation of the components used in calculating changes to the consumer price index, which was 14.6 per cent in August 1982.

Bearing this in mind, some mention must be made of the type of goods alcoholic beverages are considered to be. Many economists agree that these products fall into the luxury or specialty goods

category. That is, consumers purchase it only after basic and staple needs have first been met, and as such, liquor products are more income sensitive than price sensitive.

Evidence for this exists. From 1971 to 1975 the index on alcoholic beverages was rising. It rose from 100 in 1971 to 126.3 by the end of 1975, a 26 per cent increase. Over this same period real sales measured in 1971 dollars had been growing as well, from \$415 million in 1971 to roughly \$550 million in 1975, a 32 per cent increase in real sales.

Real earnings had been rising as well. Therefore, although prices were rising, sales growth was not hindered since consumers had more to spend.

This, however, was not the case during the wage control period from 1976 to 1979. The index on alcoholic beverages over that period rose from 133.9 in 1976 to 163.6 in 1979; a 22 per cent increase. Real sales, over this same period, increased from \$573 million in 1976 to only \$605 million in 1979, an increase of only 5.6 per cent.

For the first two years of this period, sales growth started to slow down and by 1978 real sales had actually started to fall, even though the inflation rate on alcohol continued to rise but was not as high. But real earnings and real disposable income had started to fall as 1977 approached, since negotiated increases were decreased from 15 per cent to six per cent. Wage earners had less money to spend.

To date, real sales have continued to fall, most likely the result of an inability to recover from that last period since interest rates began to rise, thus putting more strain on the average household's budget.

Since real sales growth was beginning to slow down as the last control period began, this had a drastic effect on the amount of money remitted to the Ontario treasury. In the first year, almost \$26 million less in LCBO profits were available for public works and social programs. One can only expect a repeat of such events during this new control year.

As a result of wage restraint pressures, over 500,000 public sector employees, who are consumers as well, will have less money to buy luxury or specialty goods, such as alcoholic products. The net result will be a decline in sales and less monies remitted to the treasury.

Distillers' prices, in an attempt to compensate for falling demand, will rise, which will affect all consumers equally. Taxes on these products too will have to rise in order to maintain the status quo insofar as funding for the treasury is concerned. This will only serve to worsen pressures on consumers, who will become increasingly more sensitive to large price changes.

Consumers will begin to look for cheaper substitutes and may shift their purchasing habits to the wine industry. Such was the case during the 70s. Prior to 1976, wine sales had been rising at

a falling rate, while spirits enjoyed growth for the most part. From 1976 to 1979 the tables were turned, and in 1979 spirit sales actually fell.

With less money to spend, consumers had shifted their preferences to wines as a cheaper alternative. Later on, as the price of wines rose, spirit sales started growing once again.

If, during this control period, the wine industry is unable to keep up to demand, wineries too may choose to regulate the increase in demand using price increases.

Overall, large price increases for wines and spirits can be expected.

Such pricing shifts could very well have a drastic effect on the tourism industry of Ontario. As the prices in liquor stores rise, so will those charged to tavern owners, since these owners, referred to as licensees, will have to pay increased base prices on products. Inevitably such increases will be passed on to their customers, many of whom are tourists. Tourists may choose to vacation in places other than Ontario, where they know that the prices are cheaper.

Ontario consumers who live in border cities may choose to cross the border into US cities where alcohol products are, in some cases, less than half the prices of those charged in Ontario, despite the fact that the Canadian dollar has a lower value than the US dollar. Not only will Ontario face the potential loss of tourist dollars but also faces the potential loss of Ontario dollars to a large US market.

Unemployment will take its toll as well when demand for these products falls. The LCBO, which bases the number of people to work in a particular store on the number of transactions attained by that store, will be forced to reclassify their stores to a lower level, causing widespread displacements and layoffs.

Distillers located in Ontario also face the same problem. When increased prices fail to generate enough revenue to meet the shortfall in demand, they too will have to rely upon layoffs in order to reduce costs.

By suspending the right to strike and denying binding arbitration, Bill 179 severely constrains the free collective bargaining process which has been the cornerstone in ensuring adequate working conditions and a reasonable standard of living. Without such a process, history repeats itself to the days when employers took from employees more than they gave to them.

The employees of the Liquor Control Board of Ontario and the Liquor Licence Board of Ontario are curiously considered to be an essential service and as such have always been denied the right to strike. Thus our union has had to work within the confines of another dispute-resolution mechanism, namely binding arbitration.

Binding arbitration is not new to our union, which in its history, save for two instances, has been forced to resort to such

a mechanism in order to attain a final settlement. Now, Bill 179 cuts off that path towards resolution as well.

In its place, the government has placed an obstacle, not a solution; that being the Inflation Restraint Board, which has been given such widespread and discretionary powers which present arbitration boards are not even allowed to possess.

The government may very well say that drastic times require drastic measures, and therein lies the justification for the Inflation Restraint Board. But what happens when the control measures are lifted? What happens to long-strived-for, harmonious relationships between employees and employers, which have always been recognized as a key ingredient to the collective bargaining process?

5:50 p.m.

We envision many things happening to collective bargaining as a result of implementing Bill 179. Parties will bring many more nonmonetary items to the table. Theory suggests that during the final moments prior to settlement, nonmonetary items are taken off the table in favour of monetary items.

The potential for this will not occur, and with no means of resolving the dispute, since the IRB is not obligated to deal with nonmonetary items, the positions of the parties will become increasingly rigid, thus making the collective bargaining process unnecessarily lengthy.

Given no incentive to settle because dispute-resolution mechanisms are removed, the government, in effect, is giving approval to employers to engage in bad-faith bargaining practices. Employers will resort to take it or leave it attitudes and refuse to deal with union representatives.

In a research paper by Professor Bryan Downie of Queen's University, entitled Wage Controls and Collective Bargaining, written during the last control period, he states: "A sharp rise in the number of unfair labour practice charges filed by unions should not be unexpected. Labour relations boards will clearly have an increased work load to contend with."

Parties will be forced into signing agreements with which they are displeased. This has the potential of destroying the relationship while control measures are in place and causing severe unrest, which may lead to destructive action once controls are lifted. Said Downie: "Because of bargaining rigidity, formality and attitudes caused by the program, there is little hope that the parties will move to a more co-operative relationship."

With Bill 179 forcing such agreements, the monetary differential between the public sector and the private sector will widen. In the years after the controls are lifted, an attempt will be made to shorten the gap. More and higher value monetary items can be expected than if there had been no controls, since activity will be centered on catching up.

If monetary positions at that point become rigid, the result will be more strike action and a heavier dependence upon arbitration, thus eroding bargaining relationships further.

In conclusion, Mr. Chairman, I would like to say this. The workers of this province ask for wage increases in response to the inflation rate. Their demands are not the cause of the inflationary crisis.

Asking 500,000 public sector employees, who are consumers as well and who can barely meet the daily monetary pressures, to cutback while the rich are made exempt, will only serve to hurt Ontario's economy, not help it.

Governments in this country are elected to represent all citizens equally. They are not elected to cater to select groups while making others the whipping boy.

Liquor workers in Ontario have already come through an ordeal of lost wages since the last control period. Now they are told that they must lose more. Liquor warehouse workers are faced with massive unemployment as the result of a new high technology warehouse being opened in Whitby, Ontario, some time within the next two years. Now all liquor workers are faced with large layoffs.

Liquor workers have had their collective bargaining spirit bent by denying them the right to strike and replacing it with compulsory binding arbitration. Now their spirits are being broken by having arbitration replaced with something that gives them no bargaining rights at all.

How much more punishment can these and other public sector employees be expected to take, simply because they are employees of the government? We fear that the end is soon approaching.

Thank you for your time.

Mr. Chairman: Thank you. Are there any questions?

Mr. Mackenzie: Thank you, Mr. Chairman. I congratulate the group on the fact that they have put together an excellent brief, along with some backup information which is certainly useful to us when we get into things like clause-by-clause discussion.

Mr. Chairman: Thank you very much for your presentation.

The last brief and the last group of the afternoon are the Ontario Public Service Employees Union Provincial Women's Committee. The clerk is handing around the brief, number 59.

Ms. Lankin: I'd like to preface my remarks by saying, looking around the room, I have concern that none of the women members of the government are here, because the remarks I will be making and the issues I wish to highlight are of particular importance to women in Ontario and there are few enough of them in the Legislature to begin with. It is unfortunate that none of them

will be here to listen, understand and, hopefully, take back to your respective caucuses the points that I want to make. So, I am just charging you gentlemen with the responsibility of doing that for me.

Mr. Piché: I can assure you we will do a good job, too, on your behalf.

Ms. Lankin: I bet.

You have probably heard through the committee hearings a number of times the words "vicious attack," and I am going to use those words again, because the Ontario Public Service Employees Union women's committee believes that Bill 179 is just that, a vicious attack against working women in general and a slap in the face to mothers in the work force and the lower-paid women who make up nearly 95 per cent of the office and clerical categories in the provincial civil service.

The women's committee believes Bill 179 perpetuates the unequal pay relationships which exist in the civil service. Wage controls prove, once again, the Davis government's commitment to equality in the work place to be nothing more than a hollow lie.

We call for the immediate and complete withdrawal of Bill 179, which puts women workers in the public service under the heel of the Davis jackboot and keeps them there for at least another year.

OPSEU's Provincial Women's Committee represents nearly 40,000 female OPSEU members as a force for the promotion of women's rights, both in the work place and within our union. The committee addresses women's issues, as well, in the collective bargaining and legislative arenas. OPSEU is recognized as a leader in helping women to achieve equal rights and we are proud of the role that our union has played in the struggle.

The Provincial Women's Committee is made up of elected representatives from each of our union's seven regions. OPSEU's women members are in a wide range of occupations across the province, but the one thing that many of them have in common is that they are stuck in low-pay ghettos from which they have been trying to escape for a number of years through the collective bargaining process.

Bill 179 will keep women in these pay ghettos in two ways: first, by limiting their salary increases to only five per cent; and second, by application of straight percentage increases which will increase the existing gap between men and women.

Since the Anti-Inflation Board died an unlamented death, women in the office and clerical groups of the civil service have attempted to bargain flat dollar increases in order to raise the wages of the lowest paid to at least subsistence level. But the government has always responded with counterproposals expressed in percentages. Lately, we have had some success in achieving at least a mix of across-the-board and percentage increases. This

wage control legislation preserves and, in fact, increases the wage gap and reinstitutes the mind set of percentage increases.

In a paternalistic attempt to show some fairmindedness, the Davis government threw women a few more cents per week with its minimum increase of \$750 to \$1,000. Some women, especially those in the direct civil service, might be lucky enough to get the \$1,000. They will have to be lucky, since the bill shreds the collective bargaining system and replaces it with the right to beg.

For many of those who work in provincially-funded services administered by other agencies, the increase will only be \$750, since part of the overall Davis plan is to slash supporting grants to these other services. All the Davis government's talk about helping the lower paid through its insulting minimum increases is nothing more than an echo of their hollow commitment to equality.

The legislation also exposes, once again, the hypocrisy of the Davis government commitment to achieving equal pay. The provision in Bill 179 allowing for wage adjustments under the Employment Standards Act, equal pay for equal work, is virtually meaningless. Men and women have traditionally been segregated into different jobs. The equal pay legislation is extremely narrow in its ability to compare jobs. Many of the lower-paid classifications are populated completely by women. Equal pay for equal work is a hollow promise when it comes from this government.

Instead of meaningless rhetoric, our women members have been fighting, and fighting hard, to achieve equal pay for work of equal value. In the past two rounds of bargaining, we have attempted to achieve better and higher increases for our office and clerical members based on this principle. This time around, we accepted--and it was a negotiated across-the-table settlement--the employer's proposal for a two-year agreement in the belief that the second year would provide our members with some degree of income security in the face of inflation.

6 p.m.

I want to stress the point that the two-year agreement was employer-proposed. We went to the table seeking a one-year agreement. I doubt very much that the negotiators of the Civil Service Commission were bargaining in a vacuum without any knowledge of what was coming in with the possibility of rollbacks in the second year. In fact, the members of the office and clerical groups were conned; they were duped by this.

There is another point I would like to make on this and that is the fact that Frank Miller has spoken on a number of times in defence of the increase in rates of the Ontario health insurance plan that were announced back in April or May. I want to assure you that this collective agreement was also negotiated freely across-the-table without any arbitration system, was ratified by the members and signed and sealed back in April or May and yet the government sees fit to roll this back and not tamper with the OHIP rate increases. I assure you that the women in that bargaining unit remember that the government did not negotiate in good faith.

A recent equal pay for work of equal value settlement in the federal public service gave underpaid women a total of \$17 million in back pay to bring their wages up to the same level as men performing work of equal value in a different department. Yet, in the Ontario civil service, where the same job classifications and wage inequity exists, we will be unable to redress the situation because of Bill 179.

A clerk 2 supply makes \$8.69 per hour--and that is maximum wage rate--while a laundry worker makes \$7.93 maximum. The work is substantially the same, or so the federal adjudicator found for the federal civil service. Of the 300 members in the clerk 2 supply category, about 91 per cent are men. In the laundry worker 2 category, about 72 per cent are women. Here is a prime example of unequal pay for work of equal value which discriminates against women. Bill 179 will preserve this discrimination.

Another area in which Bill 179 is particularly offensive to women is in pensions. Studies have shown time and time again that the largest group of impoverished people in Canada is elderly women. Yet, the David wage restraints will prevent many women in the civil service who are in their last five years of work from getting the pension they deserve.

Women have worked under the wage controls of systemic discrimination for years. Since most public sector pensions are based on the average salary of the last five years, the controls will further penalize many senior women workers for years to come.

The fact that the bill provides absolutely no mechanism for disputes resolution in collective bargaining means that many nonmonetary improvements simply cannot be made. Bargainable items, such as sexual harassment clauses in our contracts, have to be put off. Other cost items of importance to women, including paid maternity leave--outside of the direct government services, a number of contracts we have do not have that; in the Canadian Union of Public Employees and other areas they have not been able to achieve that yet--day care provisions, etc., will be put on the back burner once again.

The bill also provides absolutely no means of resolving first-contract disputes. This is also offensive to women, because many are just discovering the union movement as a means to achieving their rightful status in the work place. Most of the organizing occurring right now is of predominantly female workers. This provision will hit hardest at the low-paid employees who are now attempting to achieve their first contracts.

The harm done by Bill 179 extends into other areas of great concern to our women's committee. One of these areas, which is the target of both wage controls and slashes in operating grants and subsidies, is day care. For working women, day care is absolutely necessary. We believe day care is a right and not a privilege. Yet, day care operations, which depend on subsidies from the province will be forced to restrict the wages of their employees, again, predominantly female, who have already been subsidizing the system through their scandalously low wages.

In none of the areas we have mentioned above can Bill 179 be made more palatable to the working women of Ontario. Bill 179 is an insult to the labour movement in general and nothing more than a direct attack on women in particular. Our position is it should be immediately withdrawn.

Mr. Mackenzie: I was just wondering if it is your feeling that the message of what is happening in this legislation is going to reach not only the organized working women in the unions--and I know there is a substantial effort being made there--but out to the various coalition groups who have made up the broader umbrella women's group that has been fighting some of the issues of equal pay and some of the other issues in recent years.

Is this kind of a message going to clearly get out to them or have they already begun to understand what is happening?

Ms. Lankin: Certainly they have. We have made an attempt in the last year--and it is going to be a heightened attempt now--to get our message both to organized and unorganized women.

We believe we speak both through our own OPSEU Provincial Women's Committee and our participation on the Ontario Federation of Labour Women's Committee for women in the province. We belong to Equal Pay Coalition, Organized Working Women and International Women's Day Committee. A number of networks have been set up and established with women in the trade union movement and women in the more traditional feminist movement in Ontario. We intend to tighten that network and get the message out.

We are now preparing a series of forums on the issue of office and clerical work wage restraint and technological change. We are preparing a policy paper to go to the Ontario Federation of Labour convention. This is an affirmative action that calls for public forums to be heard around the province dealing with the lack of the government's commitment to affirmative action and dealing with targeting certain employers that have a bad track record of treatment of employees--and these are in unorganized sectors. These will both educate those workers and educate the public of those employers' behaviour. So, we intend to get the message out there and to build.

Mr. Wrye: Just a question so I can get some clarification, for which I should have asked earlier. What was your settlement for the office and clerical employees sector of the Ontario Public Service Employees Union? It was a two-year agreement.

Ms. Lankin: The second year was 11 per cent. It was actually a mixture of percentage and dollars, but it works out to 11 per cent. It is being rolled back--six per cent is being taken off that--and depending on where they are within the wage classification, it is anywhere from about \$900 up to \$1,400.

Mr. Wrye: With the 11 per cent in the second year, what would that have put the average wage at in that--

Ms. Lankin: I do not have those figures with me, I am sorry.

Mr. Wrye: Would it be over \$20,000?

Ms. Lankin: I do not think so, but I do not have those figures. I cannot really answer you on that.

Mr. Chairman: Thank you very much for your presentation.

Gentlemen, contrary to other written schedules, we will meet tomorrow in committee room 1 all day. Because of the large group at night, we have to take committee room 1 all day. All right. So, it will be tomorrow, following routine proceedings.

We have, as I understand it, heard 57 groups for your edification. There are 58 more groups left to go, taking into consideration that there have been a few cancellations--three or four.

Mr. Wrye: Just before we go, how many do we have scheduled for tomorrow? That was the other question. I do not have my schedule here.

Mr. Chairman: We have 14. The clerk was saying earlier that he is trying to get as many in as possible. There are a few things being done so perhaps there will be another one or two.

The committee adjourned at 6:08 p.m.

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